

DAILY REPORT

China

Vol 1 No 156

12 August 1982

PRC INTERNATIONAL AFFAIRS

GENERAL

Delegate to UN Meeting Enunciates Space Policy	A 1
Huang Hua Meets UN Program Planning Official	A 1
Delegate Addresses World Culture Congress	A 1

UNITED STATES

PRC, U.S. To Hold Textile Talks in Mid-August	B 1
XINHUA Blasts Washington TIMES Anti-PRC Line	B 2
Children's Article on Sino-U.S. Relations Cited	B 2
Construction Minister Meets U.S. HUD Group	B 3

NORTHEAST ASIA

DPRK Premier Meets Music and Dance Delegation	D 1
S. Korea Human Rights Discussed at Paris Meeting	D 1
KYODO: Japan, PRC Officials Wind Up Book Talks	D 1
KYODO Notes Gu Mu Criticism on Textbook Issue	D 2
Historians Mark Anniversary of Victory Over Japan	D 2
Nuclear Arms Condemned at Japan Conference	D 3
PRC-Japan Amity Association Gives Film Reception	D 4
Telecommunications Pact Signed in Ulaanbaatar	D 4

SOUTHEAST ASIA & PACIFIC

Sihanouk Arrives in SFRY on Friendly Visit	E 1
DK's Khieu Samphan in Egypt on Friendly Visit	E 1
Interview With Khieu Samphan	E 1
Thai Minister Discusses Kampuchean Problem	E 2
Rebuts VPA Withdrawal Claim	E 3

SOUTH ASIA

Over 350 Afghan Militiamen Said To Defect	F 1
Trade Protocol Signed With Bangladesh 11 Aug	F 1

MIDDLE EAST & AFRICA

Israel Agrees in Principle to Habib Beirut Plan	I 1
Arab Countries Offer Refuge to PLO Evacuees	I 1
Tripoli Cites Zhao Ziyang Note to Al-Qadhdhafi	I 2
AFF: Students Refuse Request To Leave Embassy	I 3
Officials Meet With Tanzanian Trade Unionists	I 3
Ni Zhifu Hosts Visitors	I 3
Ji Pengfei Meets Delegation	I 3
Military Delegation Leaves Tanzania for Zambia	I 3
RENMIN RIBAO Urges Release of Nelson Mandela [5 Aug]	I 4

PRC NATIONAL AFFAIRS

Eliminating CPC's Degenerate Elements Stressed [RENMIN RIBAO 11 Aug]	K 1
He Jianshang on Management of Planned Economy [RENMIN RIBAO 10 Aug]	K 2
State Council Calls for Better Financial Work	K 5
Statistics Bureau on Improved Economic Results	K 6
New Fuel Policy To Be Enforced From 1983	K 6
Progress in Baoshan Steelworks Construction	K 7
RENMIN RIBAO on Heavy Industry Economic Returns [10 Aug]	K 8
PLA General Staff Studies CPC Communique, Letter	K 11
RENMIN RIBAO on Developing PLA's Economic Work [9 Aug]	K 12
PLA Logistics Department Forum on Mao Philosophy	K 12
PLA Artillery Unit Studies Mao Zedong Thought	K 13
RENMIN RIBAO on Attitude Toward Intellectuals [9 Aug]	K 13
Qian Xinzong Addresses Family Planning Meeting	K 16

PRC REGIONAL AFFAIRS

EAST REGION

Jiangxi Circular Urges Studying CPC Communique	O 1
Shandong Commentary Urges Mountain Afforestation	O 1
Shanghai Leaders Attend Army Day Performance [JIEFANG RIBAO 4 Aug]	O 2
WEN HUI BAO Warns Against 'Bourgeois Ideas' [6 Aug]	O 2
Shanghai Investment Company Expands Business	O 4

SOUTHWEST REGION

Text of Tan Qilong Article on Theory, Practice [SICHUAN RIBAO 29 Jul]	Q 1
--	-----

NORTH REGION

Beijing Holds Meeting on Improving Social Order [BEIJING RIBAO 6 Aug]	R 1
TIANJIN RIBAO Discusses Serious Economic Crime	R 2
Tianjin Party Leaders Meet With Yugoslav Guests	R 4
Briefs: Nei Monggol Trade Fairs; Nei Monggol Financial Revenue	R 4

NORTHEAST REGION

Heilongjiang Views Economic Plan Implementation	S 1
Heilongjiang Convenes Advisory Work Forum	S 2
Liaoning Officials at Harbin Music Festival	S 2
Qiang Xiaochu at Jilin Ideological Conference	S 3
Jilin Prefecture Discusses Industrial Development	S 4

NORTHWEST REGION

Gansu Circular on Collective Economic Development	T 1
Qinghai Urges Investigating Major Criminal Cases	T 1
SHAANXI RIBAO Discusses Rural Production System [24 Jul]	T 2
Xinjiang People's Congress Committee Meets	T 3
Output Report Presented	T 3
Conclusion of Session	T 4
Xinjiang Government, PLA Issue Awards Circular	T 4
Wang Enmao at Xinjiang Party History Meeting	T 4
Briefs: Qinghai Official Dies	T 4

TAIWAN

LIEN HO PAO Discusses U.S. Arms Sales Issue [8 Aug]
Chiang Reiterates Refusal To Talk With PRC
Taiwan Trial-Producing Jet Engine Turbine Blades
[CHUNG KUC SHIH PAO 28 Jul]

V 1
V 4
V 5

HONG KONG MEDIA ON CHINA

Gu Mu Says Hong Kong's Prosperity Will Continue
[WEN WEI PO 12 Aug]
Bank of China May Invest More in Hong Kong
[WEN WEI PO 12 Aug]

W 1
W 2

DELEGATE TO UN MEETING ENUNCIATES SPACE POLICY

OW111802 Beijing XINHUA in English 1530 GMT 11 Aug 82

[Text] Vienna, August 11 (XINHUA) -- China said today that the achievements of space science and technology are the common wealth of mankind, which ought to be shared by the people of all countries. This stand was enunciated here today by Zhang Wenjin, chairman of the Chinese delegation, in an address at the second U.N. conference on the exploration and peaceful uses of outer space.

But developed countries have dominated the field of space science and technology and the enormous gap between various countries in space science and technology "has led to inequality with regard to the rights enjoyed and interests shared by them." He said: "The developing countries cannot enjoy, as they should, the benefits brought about by man's exploration of outer space." By the end of 1981, altogether 2,700 or more satellites and spacecrafts had been launched in the whole world, but more than 90 per cent of them belonged to the two super space powers.

The geostationary orbit is man's collective resource. But developed countries, above all, the super space powers, by dint of their technical superiority, have occupied important and advantageous satellite positions and radio frequency bands in this orbit. As a result, there are increasing concerns among many developing countries that it may become difficult for them to obtain appropriate orbit positions and frequency bands in future when they desire to launch communications satellites.

The Chinese delegate urged developing countries to build up and strengthen their own space scientific-technological capabilities through their own efforts and closer cooperation among themselves.

The United Nations and its specialized agencies should play a greater role in helping developing countries to improve their space scientific-technological level and their competence in applications, he said, adding that "the developed countries with advanced technology, particularly the super space powers, should assume greater responsibilities."

Zhang Wenjin pointed out that "the exploration and use of outer space must serve peaceful purposes," and he called for "practical and effective measures to prevent outer space from becoming a new arena of arms race."

HUANG HUA MEETS UN PROGRAM PLANNING OFFICIAL

OW111800 Beijing XINHUA in English 1517 GMT 11 Aug 82

[Text] Beijing, August 11 (XINHUA) -- Huang Hua, state councillor and foreign minister met here this afternoon with Peter Hansen, assistant secretary-general of the United Nations in charge of program planning and coordination. Yesterday evening, adviser to the Chinese Ministry of Foreign Affairs Fu Hao met with and feted Hansen and his party.

DELEGATE ADDRESSES WORLD CULTURE CONFERENCE

OW051120 Beijing XINHUA in English 0807 GMT 5 Aug 82

[Text] Mexico City, August 4 (XINHUA) -- Chen Xinren, deputy head of a Chinese Government cultural delegation, said today: That cultural exchanges among the people of various countries are of "immeasurable significance to developing their respective national culture, to promoting progress and safeguarding world peace".

Speaking at the second world conference on cultural policies here, he pointed out: "The nations of the world, no matter big or small, with a long or short history, all can make contributions to the culture treasure of mankind with their respective cultures marked by their own identities and merits. National culture of every country must be fully respected." He said "the two thousand-year history of China's external cultural exchanges fully shows that China, with its culture, has contributed its share to the culture treasure of mankind. At the same time, its culture has also been enriched by the outstanding cultures of others."

He said China's "consistent stand on external cultural relations is: On the basis of the five principles of peaceful coexistence, respect for national sovereignty, equality and mutual benefit and opposition to the imposing of one's will on others, absorbing the essence of others cultures to enrich and develop one's own in the light of the specific conditions of each country, genuine assistance and cooperation, and opposition to cultural control and corrosion.

"We must expose and resolutely oppose any acts of military occupation of others territory, of corroding and wrecking others national cultures, of plundering their cultural wealth, of fostering an education of enslavement and of menacing world peace and security under whatever kind of slogans in the contention for hegemony," he said.

"We fully sympathize with and support the people of different countries who have a pressing desire for nuclear disarmament and conventional disarmament and are demanding that the money saved from disarmament be used for cultural development," he added.

He said: "The developing countries should develop their own national culture independently and through self-reliance while at the same time strengthening cultural exchanges and cooperation with other countries."

He pointed out that at present, the shortage of specialized personnel in developing countries poses a serious obstacle preventing the development of culture. He said it is a pressing task to help these countries train their cultural personnel. He noted that the abnormal outflow of qualified and trained personnel from developing countries should be checked and any acts of luring specialized personnel to leave these countries be resolutely opposed.

Chen Xinren expressed appreciation of the fruitful work undertaken by UNESCO and many of its member countries in promoting international cultural exchange and cooperation, and hoped that UNESCO will continue to promote exchange of experiences between different countries to further develop international cultural interflow.

PRC, U.S. TO HOLD TEXTILE TALKS IN MID-AUGUST

OW112012 Beijing XINHUA in English 1838 GMT 11 Aug 82

[Text] Beijing, August 11 (XINHUA correspondent) -- Negotiations for the second textile agreement between China and the United States are scheduled to begin in Beijing in mid-August, attracting much attention from both the Chinese and American trade circles. The first Sino-U.S. textile agreement was signed in September 1980. China has confined its expansion of textile exports to the United States within the limits of the agreement to conform with the basic principle of orderly expansion established in the Sino-U.S. trade agreement.

Within the 20 months after the signing of the agreement, the U.S. side demanded on four occasions the expansion of restrictions on China's textile exports to the United States. At present, U.S. restrictions on the numbers of the varieties of Chinese textile exports cover 15 instead of eight varieties as stipulated in the agreement. During the previous negotiations, the U.S. side made repeated unilateral announcements of its restrictions or barred Chinese textile exports from entering the United States, causing damage to Chinese textile production and export and great loss to the American importers.

Members of Chinese trade and economic circles predict that the forthcoming talks for the signing of the second Sino-American textile agreement should overcome negative factors and create favourable conditions for further development of bilateral trade in textiles. Recently, a U.S. newspaper said that China's export of textiles to the United States has increased too fast. The paper claimed that the U.S. side will lower the ceiling of China's export of textiles and enlarge the scope of restriction.

Some U.S. Government officials have asserted that if an agreement is not reached, the U.S. side will impose restrictions unilaterally. Although China's export of textiles to the United States has increased in recent years, its proportion to total U.S. imports of textiles is small.

According to U.S. statistics, the total amount of U.S. textile imports stood at about 10,000 million U.S. dollars last year. Its import of Chinese textiles amounted to 590 million U.S. dollars, less than 6 percent of its total import. Compared with those major textile exporting countries China's textile exports to the United States is less than one-third of any such country. Under these circumstances, there is no reason for the United States to further restrict China's exports of textiles.

In trade with the United States, China has had a large adverse balance of trade in successive years. Last year, its deficit in Sino-U.S. trade amounted to 2,900 million U.S. dollars. Sino-American textile trade including fibre is also not balanced, causing a serious adverse balance of trade for China.

Under such circumstances, the two sides should pool their efforts to gradually change such an unbalanced state so that the trade may develop. If the United States continues to place obstacles to restrict China's textile export, it will be an empty talk to wish for a development of the bilateral trade.

As a developing country, China's per capita consumption of fiber is rather low. The amount of China's export textiles is limited. China's textile exports increases its import ability. This will promote bilateral trade on the basis of equality and mutual benefit, each supplying what the other needs. The condition does not exist in which the export of China's textile products impairs foreign countries.

It is the hope of Beijing trade circles that the relevant departments of the U.S. administration seriously implement the related Sino-U.S. trade agreements and, taking a long-term view, not to be influenced by pressure from certain U.S. interests and sit down for a sincere discussion on the basis of the principle of equality, mutual benefit and non-discrimination, so as to help the forthcoming negotiations to go smoothly.

XINHUA BLASTS WASHINGTON TIMES' ANTI-PRC LINE

OW111652 Beijing XINHUA in English 1634 GMT 11 Aug 82

[Unpresentable Paper in U.S. Capital -- By correspondent Peng Di -- XINHUA headline]

[Text] Washington, August 10 (XINHUA) -- Washington TIMES, a paper that has not shown even the slightest courtesy towards China since it came into publication, came out with another editorial on August 5 that is full of absurdities meant to interfere in China's internal affairs and aimed to divide China.

With a record of numerous anti-China writings, the paper asserts in the editorial that the United States must not make "concessions" on the arms sales issue and that "Taiwan has nothing to gain from reunifications". This is clearly designed to block the reunification of China by sowing discord and stirring up trouble between the mainland and Taiwan. The editorial describes China's reunification as "a shotgun wedding for a certain incompatible pair" and openly advocates the division of China, or more bluntly, the "independence" of Taiwan. The editorial fully shows that those who try every means to undermine China's reunification in order to permanently separate Taiwan from the mainland remain quite rampant in the United States.

As in its previous articles and editorials, the paper assumes the posture of a blackmailing hooligan, asserting that as the Chinese are looking to the United States for help, the United States can force China to make concessions on its sovereignty over Taiwan. It says: "Irritating though a detached Taiwan is to the Chinese, it's less vital to their interests at this point than what we can do for them. The Chinese know this and always stop the tough talk when we stand up to them."

Obviously, the author of the editorial is ignorant to the extent that he knows nothing about the disposition of the Chinese and their history in the past decades. The Chinese, who have overcome numerous dangers and hazards by themselves and always adhere to the principle of equality and mutual benefit in dealing with other countries, never appear servile before strong foreign pressures or the blackmail of roubles or dollars.

The editorial not only wantonly interferes in China's internal affairs on the question of Taiwan but also launches personal attacks on a Chinese leader with U.S. hooligan's language. This is too rude a conduct.

This apparently ignorant and arrogant newspaper is of course unworthy of being refuted or even read. Yet, since it has upgraded its anti-China campaign and made impertinent remarks, there is no harm in noting down its words to let people know that an unpresentable newspaper exists in the capital of the United States.

CHILDREN'S ARTICLE ON SINO-U.S. RELATIONS CITED

OW120413 Beijing in English to North America 0000 GMT 11 Aug 82

[Text] The American newspaper the CHRISTIAN SCIENCE MONITOR recently carried an article especially written for children on the state of relations between the United States and China. In a comment, XINHUA said that although the article was meant for young people, many American adults, too, could learn something from it.

The article in the CHRISTIAN SCIENCE MONITOR says that when relations between China and the United States go up and down like a yo-yo, it is usually because of the argument the two countries have over Taiwan. It says the question arose because of a civil war in China. And it explains that a civil war is a war fought not against a foreign country, but between two sides within the same country. An example of this was the American Civil War between the north and the south. The article says that in China, it was between the nationalists and the Communists. The communists were so successful that in 1949 they were strong enough to form their own government, the People's Republic of China.

The article says the nationalists, who had lost the war, fled to the island of Taiwan, and it says that each side of the Taiwan Strait insists that there is only one China. The article notes that the United States has hoped there could be two Chinas, but it adds the world community as a whole recognizes the People's Republic of China as the only government of the Chinese people. The article recounts that President Nixon, during his visit to Peking, announced that the United States recognized there was but one China and that Taiwan was part of China. The article quotes the Shanghai communique, which led to the U.S. official recognition of China. It says the present problem is that the United States is still supplying Taiwan with arms, including fighter aircraft, and by doing so, the article notes, the United States is treating Taiwan, in effect, as an independent country.

XINHUA said the facts stated in the article are so simple that children will have no difficulty in understanding them. So why is it that some U.S. politicians find it so difficult to respect and understand them? That, said XINHUA, remains an American puzzle.

CONSTRUCTION MINISTER MEETS U.S. HUD GROUP

OW110910 Beijing XINHUA in English 0722 GMT 11 Aug 82

[Text] Beijing, August 11 (XINHUA) -- Li Ximing, Chinese minister of urban and rural construction and environmental protection, met here today with a delegation from the Department of Housing and Urban Development of the United States led by Secretary Samuel R. Pierce, Jr. They discussed scientific and technical cooperation between the two countries in architecture and urban development programs. In addition to Beijing, the guests will visit Nanjing, Wuxi, Shanghai and Guangzhou. They arrived here yesterday.

DPRK PREMIER MEETS MUSIC AND DANCE DELEGATION

OW091934 Beijing XINHUA in English 1520 GMT 9 Aug 82

[Text] Pyongyang, August 9 (XINHUA) -- Yi Chong-uk, premier of the Administration Council of the People's Democratic Republic of Korea, received the Chinese music and dance delegation here this afternoon. The delegation headed by Zhou Weizhi, vice-minister of culture and vice-chairman of the Chinese Musician's Association, arrived here on July 27 to study Korean music and dances as well as outstanding operas and dance dramas.

During his cordial and friendly talk with the Chinese guests, Premier Yi recalled the militant friendship between the Chinese and Korean peoples cemented with blood during the Korean War. He said peoples of the two countries have always supported each other at the time of difficulties. Present on the occasion were also Korean Minister of Culture and Arts Yi Chang-son and Charge d'Affaires ad Interim of the Chinese Embassy in Korea He Zhangming.

S. KOREA HUMAN RIGHTS DISCUSSED AT PARIS MEETING

OW081315 Beijing XINHUA in English 1224 GMT 8 Aug 82

[Text] Pyongyang, August 8 (XINHUA) -- An international meeting on human rights in South Korea held in Paris recently has called for the release of all political prisoners in South Korea including Kim Tae-chung, a prominent democrat, according to a KCNA (KOREAN CENTRAL NEWS AGENCY) report. The meeting was jointly sponsored by the International League for Human Rights and an overseas South Koreans organization.

A resolution passed by the meeting described human rights violations in South Korea as "intolerable". No cases could justify the brutal tortures and sentences, it stressed.

It declared that the greatest interest of the Korean nation lies in the restoration of national unification and independence, respect for human rights and recognition of political opposition.

KYODO: JAPAN, PRC OFFICIALS WIND UP BOOK TALKS

OW120709 Tokyo KYODO in English 0702 GMT 12 Aug 82

[Text] Beijing Aug 12 KYODO -- Japanese and Chinese officials held the final round of talks here Thursday on the dispute over Japan's school textbooks now under fire for "distorted" descriptions concerning Sino-Japanese history before and during World War II. A Japanese Embassy source here said the one-hour meeting was held at the Chinese Foreign Ministry in a "solemn and cordial" atmosphere.

"But China's stern position remained unchanged," the source added, indicating that the Chinese are still demanding correction of the Japanese history books. The Japanese officials included Hiroshi Hashimoto, chief of the Foreign Ministry's Public Information Bureau, and Hitoshi Osaki, chief of the Education Ministry's Science and International Affairs Bureau. Among the Chinese officials was Vice Foreign Minister Wu Xueqian.

The source said Japanese Ambassador to Beijing Yasue Katori also took part in Thursday's talks. The officials discussed general Japan-China relations as well, the source added, but gave no further details. China's official media have not reported the meeting. The officials held the first round of talks Tuesday but apparently failed to make progress toward defusing the dispute.

The Japanese officials, initially scheduled to return to Tokyo Wednesday, extended their stay here for further talks with the Chinese. They are due to leave for home Friday morning, the source said.

KYODO NOTES GU MU CRITICISM ON TEXTBOOK ISSUE

OW120108 Tokyo KYODO in English 0041 GMT 12 Aug 82

[Text] Beijing Aug 12 KYODO -- Gu Mu, former Chinese vice premier, has joined the increasing Chinese criticism against Japan's revision of school history textbooks, saying it is a grave problem which hurts the friendship between the two countries. The textbook problem harms the Japan-China friendship for which the late premier Zhou Enlai and other Chinese leaders had made efforts for a long time, Gu said.

Gu, now one of the state councillors equal to advisers to the premier, made the criticism Wednesday when he met Kaheita Okazaki, permanent adviser to the Japan-China Economic Association. Okazaki arrived here Tuesday. Gu quoted the late Zhou as saying one should forget bitter events in the past and should fix the eyes to the future.

But Gu said even if the past war responsibility should be blamed on a handful of militarists, not on many other people, historical truth must be told, according to a source close to Okazaki's group.

China has buried the wartime bitterness deep from a viewpoint of promoting Sino-Japanese friendship with a wide-ranging stance. But the Chinese cannot forget history, Gu said.

China has protested revised Japanese school textbooks tone down Japan's invasion starting in 1937 by describing the action as a mere "advance" instead of "aggression," and demanded that the Japanese Government revise the texts again. [sentence as received]

The criticism against the Japanese texts has spread to South and North Korea, Taiwan, Singapore, Hong Kong, Thailand and the Soviet Union.

Also on Wednesday, the Chinese party newspaper PEOPLE'S DAILY carried a report that the latest revision of Japanese school textbooks shows a sign of revival of militarism in Japan. The DAILY reported this by quoting Indonesian and U.S. newspaper reports.

The Tokyo government sent two senior officials to Beijing in an effort to calm down the criticism through talks. The officials -- Hiroshi Hashimoto, director general of the Foreign Ministry's Public Information and Cultural Affairs Bureau, and Hitoshi Osaki, head of the Education Ministry's Science and International Affairs Bureau -- talked with Xiao Xiangqian, director of the First Asian Affairs Department of the Foreign Ministry, and other Chinese officials on Tuesday. The Japanese officials are expected to have a second round of talks Thursday or later.

HISTORIANS MARK ANNIVERSARY OF VICTORY OVER JAPAN

OW101842 Beijing XINHUA in English 1608 GMT 10 Aug 82

[Text] Beijing, August 10 (XINHUA) -- Chinese historian Liu Danian today said the war of resistance against Japanese aggression has taught the Chinese nation how to revitalize and the Japanese nation what road it should take. Speaking at a forum sponsored by the Chinese Society of Historians to mark the forthcoming 37th anniversary of the Chinese people's victory over the Japanese aggressors, Liu Danian said that the war waged by the Japanese imperialists brought the gravest disaster to the Chinese people in the modern history of imperialist aggression against China.

"The reason that semi-colonial and semi-feudal China backward economically and militarily eventually defeated capitalist Japan with a powerful military force was the awakening of the Chinese nation, which revealed its immeasurable strength," the executive chairman of the society's presidium said. Today, there is a bright future for the Chinese nation, which is working hard under the leadership of the Chinese Communist Party to revitalize itself, he said.

Liu said that Japan's defeat was due to the aggressive, unjust nature of the war it waged. He said: "History is a good teacher. It shows that it was a blind alley for the big Japanese bourgeoisie who had attempted to expand its own interests at the cost of the very survival of China and other Asian countries." The only path for Japan to achieve prosperity is to side with the anti-imperialist forces and follow a path of independence, democracy and peace, he said.

Liu said there are some who resort to distorting historical facts once they find the lessons provided by history not suitable to their needs, and follow the negative examples in history. He said it is deplorable that the Japanese Ministry of Education is doing precisely this in deleting the word "aggression" from the Japanese school textbooks and using instead "advance," which they call a "word involving no evaluation."

Over 30 historians and professors attended the forum. Ten participants including Bai Shouyi, Li Shu, Yin Da, Xia Nai, Liu Simu refuted distortions of the history by the Japanese Ministry of Education in screening the textbooks and some Japanese officials' explanations.

The speakers said that the Chinese people will make no allowance for "explanation" alone. They urged the Japanese Government to make decisions as soon as possible to deal with the "grave distortions of the Japanese invasion of China in history," which runs counter to the joint statement on the normalization of diplomatic relations issued by the Chinese and Japanese Governments in 1972.

They held that as China has brought to an end its history of being invaded and humiliated and tremendous changes have taken place in the post-war Japan, the fundamental interests of the Chinese and Japanese people lies in establishing normal, good-neighborly and friendly relations between the two countries and such relations have been established. The speakers said that lasting friendship between the two peoples must be ensured and that distortion of history must be opposed. They said that the future of history belongs to the people as does the future of the relations between China and Japan.

NUCLEAR ARMS CONDEMNED AT JAPAN CONFERENCE

OW92026 Beijing XINHUA in English 1850 GMT 9 Aug 82

[Text] Nagasaki, Japan, August 9 (XINHUA) -- The last session of the 1982 ban-the-bomb world conference held here today made a strong call to oppose nuclear arms expansion and for education of the younger generation against nuclear war. Today's session was attended by 20,000 people from all walks of life in Nagasaki Prefecture and Nagasaki City. Prime Minister Zenko Suzuki made a special trip from Tokyo to attend the session.

Suzuki told the session: "The threat to world peace is continuing, with the world arms race intensifying and international tensions rising." He pledged that Japan would continue a peace diplomacy and contribute efforts for a lasting peace in the world. He reiterated the stand he made clear at the recent U.N. special conference on disarmament, urging the United States and the Soviet Union to stop their nuclear arms expansion and reduce their nuclear weapons. Isamu Takada, governor of Nagasaki Prefecture, said at the session that it was imperative to make the coming generations know the real happenings of war and stand resolutely against nuclear war.

Hitoshi Motojima, mayor of Nagasaki read a "peace declaration" for the meeting on behalf of all the citizens, appealing for the launching of an extensive peace movement so that nuclear weapons will never again be used in the world.

Speakers to the session said that every year more than 1,500 people in Nagasaki City die of diseases resulting from the explosion of the U.S. atom bomb in 1945.

The 1982 ban-the bomb world conference opened in Tokyo on August 1 with the participation of representatives from 30 countries and 10 international organizations. After the close of the Tokyo meeting on August 2, plenary session and group meetings were held in Hiroshima and a "Hiroshima appeal" against nuclear arms race was made public.

PRC-JAPAN AMITY ASSOCIATION GIVES FILM RECEPTION

OW111527 Beijing XINHUA in English 1501 GMT 11 Aug 82

[Text] Beijing, August 11 (XINHUA) -- The first China-Japan co-produced feature film, "A Game Yet To Finish," was shown at a reception given by the China-Japan Friendship Association here this afternoon at the capital theater. Present at the reception were Yasue Katori, Japanese Ambassador to China, diplomatic officials of the Japanese Embassy, Japanese experts and students in Beijing. Also present were Chu Tunan, adviser to the China-Japan Friendship Association, Xia Yan, vice-president of the association and leading members of other departments.

The film depicts the untold sufferings of the people of both China and Japan during the war of Japanese aggression against China which was taken as the background of the scenario. The movie also describes the friendly relations between the people of China and Japan. It tells the people of the two countries to draw lessons from history as the motto says: "Past experience, not to be forgotten, is a guide for the future."

The film was jointly produced by the Beijing film studio and the Japanese film company Toko Tokuma to mark the 10th anniversary of the restoration of diplomatic relations between China and Japan.

TELECOMMUNICATIONS PACT SIGNED IN ULAANBAATAR

OW111315 Beijing XINHUA Domestic Service in Chinese 0702 GMT 10 Aug 82

[Text] Ulaanbaatar, 9 Aug (XINHUA) -- An experts delegation of the PRC Ministry of Posts and Telecommunications and an experts delegation of the Ministry of Posts and Telecommunications of the People's Republic of Mongolia held talks in Ulaanbaatar from 25 July to 9 August to discuss questions concerning the upgrading of wired telephone and telegraph circuits between China and Mongolia. The two delegations signed a protocol in this regard.

SIHANOUK ARRIVES IN SFRY ON FRIENDLY VISIT

OW112014 Beijing XINHUA in English 1922 GMT 11 Aug 82

[Text] Belgrade, Aug 11 (XINHUA) -- President of Democratic Kampuchea Samdech Norodom Sihanouk arrived here today on a friendly visit to Yugoslavia at the invitation of the Presidential Council of Federal Yugoslavia. Coming along with him were his wife and other members of a delegation of Democratic Kampuchea.

DK'S KHIEU SAMPHAN IN EGYPT ON FRIENDLY VISIT

OW101957 Beijing XINHUA in English 1937 GMT 10 Aug 82

[Text] Cairo, Aug 10 (XINHUA) -- Khieu Samphan, vice-president of Democratic Kampuchea in charge of foreign affairs, arrived here this evening for a friendly visit to Egypt. He said at the airport that the purpose of his visit was to convey the friendship of the Kampuchean Government and people to the Egyptian Government and people. He said he also came here to acquaint the Egyptians with the military and political victories achieved by the Kampuchean army and people.

He said the Vietnamese troops of aggression, having been strongly resisted by the National Army and guerrillas of Democratic Kampuchea, are now "bogged down" on the battlefield. In the international arena, the Hanoi authorities have been extremely isolated, with their propaganda on the partial withdrawal of their forces and the need to hold an international conference on the Southeast Asian region proving a failure.

Khieu Samphan said the Great National Union of Kampuchea, which received a new impetus through the recent formation of the coalition government, "is a striking blow to the Hanoi authorities."

He expressed the hope that his visit would further develop the ties of traditional friendship and solidarity between the peoples of Kampuchea and Egypt.

Interview With Khieu Samphan

OW112016 Beijing XINHUA in English 1923 GMT 11 Aug 82

[Text] Cairo, Aug 11 (XINHUA) -- Visiting Kampuchean Vice-President Khieu Samphan said here today that the Vietnamese aggressors have strategically lost their war in Kampuchea and the Kampuchean army and people, fighting under hard conditions, are making contributions to the maintenance of peace and stability in Southeast Asia.

In an exclusive interview with XINHUA here, Khieu Samphan said that "the over 300,000 Vietnamese aggressor troops (including service units) in Kampuchea are completely bogged down and worn out." He added that the morale of the Vietnamese soldiers "is getting lower and lower as the Vietnamese campaigns to annihilate the Kampuchean people during either dry or rainy seasons have all ended in failure."

The Vietnamese people, he noted, are also opposing the war. However, the Vietnamese leaders are very stubborn. By trumpeting the "partial withdrawal" scheme, he said, they hoped to "mislead the people and world public opinion which demand total Vietnamese withdrawal from Kampuchea and self-determination for the Kampuchean people free from outside interference." They also tried to bury all U.N. resolutions on Kampuchea and lessen international pressure on them.

The Vietnamese authorities are in fact increasing their forces in Kampuchea instead of withdrawing any soldiers, he stressed.

Khieu Samphan hailed the recent formation of the coalition government in Kampuchea. This coalition, he said, is based on the declaration of Kuala Lumpur of June 22, 1982, defining Democratic Kampuchea, a member of the United Nations, as the sole state of the Kampuchean people. "We hope that the coalition government will last till the final victory -- the complete withdrawal of the Vietnamese aggressor troops," he added.

Khieu Samphan said that the Kampuchean Government and people are gaining more and more international support. He continued that the peace-loving peoples in the world today are increasingly realizing the true nature of Vietnamese expansion and aggression. He said that "the Vietnamese authorities are serving the expansionist policies of the Soviet Union in Southeast Asia and the whole Pacific region and Vietnam today is serving as a military base of the Soviet Union." To oppose Soviet expansion in the region, more and more people are realizing the need to support the Kampuchean people as well as the people in Afghanistan, he declared.

THAI MINISTER DISCUSSES KAMPUCHEAN PROBLEM

OW111354 Beijing XINHUA in English 1211 GMT 11 Aug 82

[Text] Bangkok, August 11 (XINHUA) -- Thai Foreign Minister Sitthi Sawetsila said yesterday Thailand must continue the political battle against Vietnam, otherwise Vietnam and the Soviet Union may continue to expand their influence in the region, reported the Thai press today. Meeting Thai reporters at the Foreign Ministry, Sitthi said Vietnam was losing the political battle over Kampuchea. But the battle should be continued because there could be no guarantee that Vietnam or the Soviet Union would limit their expansion in the area to Kampuchea, he added.

He also said the fact that Vietnam could not be trusted was illustrated in the contradictory stances on Kampuchea taken by Vietnamese Foreign Minister Nguyen Co Thach during his recent tour of ASEAN. He said Thach would be tough or conciliatory depending on whom he was talking to, and this had left ASEAN suspicious and uncertain of his motives. Vietnam has been good at exploiting differences of opinion, he noted.

Asked whether Thailand worries about any danger from China, the foreign minister said thousands of Vietnamese soldiers have invaded and occupied Kampuchea, but there is not a single Chinese soldier in that country. Furthermore, there are many Soviet military personnel and a large quantity of arms and strategic materials in Vietnam and Laos. This is the most dangerous thing which worries Thailand a lot.

Thailand wants Vietnam to be independent, prosperous and free of Soviet control, and to live peacefully with its neighbours, Sitthi said.

Sitthi referred to the "two point proposal" put forward by Willibald Pahr, chairman of the International Conference on Kampuchea and Austrian foreign minister, when he visited Thailand not long ago. He said, the first point of his proposal was to seek a program acceptable to all parties. However, the program advocated the recognition of the Heng Samrin regime as a precondition for the withdrawal of Vietnamese troops. This is unacceptable, because it is Democratic Kampuchea that is recognized by the United Nations. The second point was Vietnamese participation in a conference sponsored by an international institution tackling the Kampuchean question, but Pahr failed to make clear what kind of conference it would be. If what he meant was for Vietnam to take part in a conference organized by the Special Committee of the International Conference on Kampuchea, it could be considered in further discussions.

Rebuts VPA Withdrawal Claim

OW120332 Beijing XINHUA in English 0239 GMT 12 Aug 82

[Text] Bangkok, August 11 (XINHUA) — Contrary to its declaration of partial troop withdrawal from Kampuchea, Vietnam was ready to send thousands of new recruits to the Thai-Kampuchean border, as a sign of "good will" offered by Vietnamese Foreign Minister Nguyen Co Thach, Thai Foreign Minister Sitthi Sawetsila pointed out in his address to the Foreign Correspondents Club of Thailand here this evening. Dealing with the outcome of Thach's visit to the four Southeast Asian countries, Sitthi said: "We regrettably felt Mr. Thach fell short of convincing us that Vietnam had changed its policy and was now willing to discuss and negotiate a settlement of the Kampuchean problem."

In reply to a question about the basic facts resulting from the Kampuchean conflict, Sitthi said: "First, Vietnam has invaded and occupied Kampuchea in contravention of all principles governing the conduct of inter-state relations. Second, the Vietnamese action has seriously destabilized the security situation in Southeast Asia, thus exposing the region to further turmoil and conflict. Third, the Vietnamese invasion has resulted in untold suffering among the Kampuchean people, while posing a great burden on other states having to care for large numbers of Kampuchean refugees who have fled their ravaged homeland." Fourth, Vietnam was far from succeeding in her effort to control that country. And, finally, the neighboring states of ASEAN had been affected by and concerned with the Vietnamese action.

Exposing the so-called three proposals in the "Ho Chi Minh City Communique", Sitthi noted that the first proposal -- the partial pullout of troops trumpeted by Vietnam was not a genuine withdrawal. "Let us take another of these proposals, namely, the offer for a safety zone along the Thai-Kampuchean border, with Thai troops on one side of the zone and only Heng Samrin soldiers on the other. Ever since the Vietnamese invaded Kampuchea, Vietnam has tried to shift attention away from the core problem: the presence of two hundred thousand Vietnamese troops in Kampuchea. The question is therefore not the Vietnamese troops along the Thai-Kampuchean border, but their presence anywhere in Kampuchea which the international community opposes. Hanoi knew fully well, when they made the proposal, that ASEAN or indeed the world could not possibly accept such an offer."

As for the third proposal -- the convening of an international conference on Southeast Asia Sitthi stated: "It was not open-ended, but was with conditions. First, it did not purport to discuss the Kampuchean question as such, but rather the entire Southeast Asian region. Second, and here is the catch, such a conference would not be held without prior complete agreement between the ASEAN and Indochinese states in all aspects." Sitthi said: "The claimed essence of Vietnam's reluctance to negotiate our differences was the so-called China threat". But, "China has affirmed her support for a neutral and non-aligned Kampuchea. China has also stated her complete willingness to sign a non-aggression pact with Vietnam after Hanoi completely withdraws from Kampuchea. Is it not a non-aggression pact with China which Mr. Nguyen Co Thach said in ASEAN that Vietnam desires and sets as the condition for her total withdrawal from Kampuchea?"

On the issue of economic sanction against Vietnam, the Thai foreign minister stated: "The current efforts to deny economic assistance to Vietnam has one simple rationale: International assistance is invariably used by Hanoi to abet aggression in Kampuchea. It is in the interests of ASEAN and the region as a whole to work towards an eventual viable Vietnam. We do not seek to bleed Vietnam. Vietnam is bleeding Vietnam with her present policy of the Vietnamization of Kampuchea." As for dialogue with Vietnam, he declared, ASEAN was for dialogue. "Our door is open; all that the other party need do is to cross the threshold." he added.

OVER 350 AFGHAN MILITIAMEN SAID TO DEFECT

OW091235 Beijing XINHUA in English 1211 GMT 9 Aug 82

[Text] Islamabad, August 9 (XINHUA) -- Over 350 militiamen of the Kabul regime in Afghanistan's northeastern province of Laghman joined Mujahideen on July 23, according to AGENCY AFGHAN PRESS. These militia forces stationed at 17 different places in the province cut off the communication links between the provincial headquarters of Mehtar Lam and Alingar area before crossing over to the side of the resistance forces, carrying along with them arms and ammunition. They had all been forcibly conscripted into the militia following a major military operation last February.

It was also reported that Soviet troops attacked two areas of Ghor Province in central Afghanistan in late July. The freedom fighters put up stiff resistance and shot down two jet planes and knocked out ten tanks. However, 30 freedom fighters were killed and 50 others seriously wounded in the encounter.

The Soviet troops killed five people including three children and destroyed several houses during their bombing of three localities in the suburbs of Kandahar on July 25.

Brigadier-General Mohammad Afzal Loddin of Karmal's 11th division stationed in Jalalabad recently admitted that his division had been reduced considerably from 15,000 to the present 6,000 men as a result of over 200 clashes with the guerrillas in the past year or so.

TRADE PROTOCOL SIGNED WITH BANGLADESH 11 AUG

OW120804 Beijing XINHUA in English 0701 GMT 12 Aug 82

[Text] Dacca, August 11 (XINHUA) -- The sixth barter protocol was signed here today between the governments of China and Bangladesh. Under the protocol, Bangladesh will export to China jute and jute products, urea, fertilizer and hides and skins. And China will export to Bangladesh coal, pig iron, steel billets, chemicals, dyes, machinery and equipment.

Jia Shi, leader of the Chinese trade delegation and vice-minister for foreign economic relations and trade, and Ehsanul Kabir, secretary of the Bangladesh Ministry of Industry and Commerce who is in charge of the commerce division, signed the protocol on behalf of their governments.

Earlier this morning, Jia Shi called on Bangladesh Minister of Industry and Commerce Sahfiul Azam. During the meeting, Jia Shi said that the volume of bilateral trade had increased and there was a promising prospect for trade and economic cooperation between the two countries. Azam expressed the hope that Bangladesh-China trade and economic relations would be further strengthened in the coming years. The Chinese trade delegation arrived here on August 8 and will leave for home tomorrow.

ISRAEL AGREES IN PRINCIPLE TO HABIB BEIRUT PLAN

OW111340 Beijing XINHUA in English 1240 GMT 11 Aug 82

[Text] Beirut, August 10 (XINHUA) -- The Israeli Cabinet today agreed in principle to accept a 10-point plan by U.S. special envoy Philip Habib on the evacuation of Palestinian fighters from Beirut, but wanted to make a number of amendments to the plan, radio Israel reported. An Israel Cabinet spokesman said after the Cabinet met in special session in Jerusalem that as a precondition, Israel was demanding a list of the Arab countries willing to receive the 6,000 to 9,000 Palestinian fighters trapped in Beirut. The number they are willing to take in must match completely the number of guerrillas in Beirut, he added.

The spokesman stated that amendments Israel demanded to the plan were: An Israeli prisoner held by Palestinians in west Beirut be released and the bodies of nine Israeli soldiers fallen in Palestinian lines to be returned; the first contingent to be deployed in Beirut on the day Palestinians start to leave Beirut be Lebanese rather than French; the multi-national force shall not remain in Lebanon for more than 30 days; Israel will start withdrawing troops from Beirut only after all the PLO fighters have left there; and most of the PLO men must leave Beirut by the time the international force arrives.

The spokesman also affirmed Israel's objections to the stationing of U.N. observers in Beirut. The 10-point plan U.S. envoy Habib presented yesterday to Israel suggests that the PLO first present a list of the names of departing guerrillas and details about PLO offices in Lebanon. Under the plan, French merchant ships and vehicles provided by the Lebanese Government will take the Palestinians away from Beirut. At the same time, an estimated 1,000-1,500 Syrian troops left in Beirut will return home; the multi-national force is composed of between 1,200 and 1,600 soldiers from France, Italy and the United States -- 700 from France, 700 from the United States and 300 from Italy.

At a press conference here tonight, Lebanese Prime Minister Shafiq al-Wazzan said that the PLO has approved the U.S.-arranged plan. Referring to the multi-nations force, he said that his government will request the U.S., France and Italy to send their contingents soon after receiving Israel's reply on it. It was reported that U.S. envoy Habib went to Jerusalem this evening to discuss with Israeli leaders their amendments to the plan.

ARAB COUNTRIES OFFER REFUGE TO PLO EVACUEES

OW110924 Beijing XINHUA in English 0817 GMT 11 Aug 82

[Text] Beijing, August 11 (XINHUA) -- More Arab countries have expressed readiness to accept the PLO fighters after Israel has accepted in principle a U.S.-arranged plan for the peaceful evacuation of trapped Palestinian fighters in Beirut, according to reports reaching here today. Tunisia has agreed to receive the first contingent of Palestinian fighters from Beirut, Foreign Minister Beji Caid es-Sebsi said in Tunis last night, adding that the decision had been approved by President Habib Bourguiba.

"Tunisia will welcome its courageous Palestinian brothers so that they can continue the fight for dignity and liberty and one day return to the land of their ancestors and establish their own independent and sovereign state there," Caid es-Sebsi said.

Sudanese President Ja'far Numayri told PLO leader Yasir 'Arafat in a message yesterday that his country is prepared to take in 600 Palestinian fighters. He stressed that Sudan's readiness to take in the fighters was aimed at "ensuring the continuity of the Palestinian revolution and aiding the Palestinians to reorganize following the unjust war."

The presidents of North and South Yemen told PLO leader 'Arafat in a joint cable yesterday that they would be willing to host "a number" of Palestinian guerrillas who may eventually leave Lebanon. They also expressed their solidarity with the PLO. King Husayn of Jordan has indicated readiness to accept those Palestinians carrying Jordanian passports.

Syria has already signalled its readiness to take in as many Palestinian fighters from Lebanon as the PLO wishes to send. Jordan, Syria, Egypt and Iraq previously accommodated four Palestine Liberation Army contingents estimated at 1,000 to 1,500 guerrillas each.

TRIPOLI CITES ZHAO ZIYANG NOTE TO AL-QADHDHAFI

LD082158 Tripoli Voice of Arab Homeland in Arabic 2015 GMT 8 Aug 82

[Text] The brother leader of the revolution has received a message from the premier of the PRC State Council, Zhao Ziyang, in reply to the message which the leader sent to him on the barbarous Zionist invasion of Lebanon. Here is the text:

The government and people of China deeply sympathize with the Lebanese and Palestinian people in their suffering and sacrifices. They strongly denounce the barbaric acts by the Israeli aggressors. They also denounce the insolent Israeli large-scale aggression against the sovereignty of an Arab country and the committing of acts of barbarous killing against the Lebanese and Palestinian people.

The Israeli authorities have committed crimes which cannot be overlooked and for which the United States bears full responsibility, and it should be denounced for its acts of collusion and support for Israeli expansion.

The Government of China has adhered to the principle of finding a comprehensive and just solution to the Middle East issue on the basis of respect for the national rights of the Palestinian people and sovereignty and security of the regional territories of the Arab countries.

The pressing task at the present time is primarily to urge all countries which support and love peace to take effective measures to stop immediately the aggression and massacre to which the Palestinian and Lebanese peoples are subject and to force Israel to abide by the resolutions adopted by the UN Security Council unconditionally to withdraw all its forces from Lebanon.

Agreement and harmony between the Arab countries and the Third World will have great importance for realizing the aforementioned aims. The government and people of China will support, resolutely and without reservation, the Palestinians and Arab peoples in their just struggle to combat Israeli aggression and expansion.

The Government of China on the basis of its principled stand will exercise its influence and will act in concert with all the justice-loving countries in the United Nations and the Security Council and other international bodies to oppose hegemony, to safeguard the legitimate rights in favor of the Arab people and the Third World states and to world peace.

Please accept my highest appreciation and respect.

[Signed] Zhao Ziyang, premier of the PRC State Council

AFP: STUDENTS REFUSE REQUESTS TO LEAVE EMBASSY

OW120958 Hong Kong AFP in English 0922 GMT 12 Aug 82

[Excerpts] Beijing, Aug. 12 (AFP) -- The four Central African students who have occupied their country's embassy here since Monday in protest at not being given their grants have rejected an appeal by the Chinese authorities to leave. A student spokesman today told AFP (two) officials of the Beijing Language Institute, where the students are studying, went yesterday evening to the embassy in a bid to convince the students to leave.

However the students refused to allow the officials, accompanied by several policemen, to enter the embassy from which they had earlier forced the Chinese and Central African staff to leave. After discussions lasting more than an hour in front of the embassy, the officials left without obtaining any results, the spokesman said. The students have been able to move freely in and out of the embassy, which is guarded only by one Chinese soldier. There has apparently been no increase in the number of guards around the embassy since the students took over.

OFFICIALS MEET WITH TANZANIAN TRADE UNIONISTS

Ni Zhifu Hosts Visitors

OW091834 Beijing XINHUA in English 1623 GMT 9 Aug 82

[Text] Beijing, August 9 (XINHUA) -- Ni Zhifu, president of the All-China Federation of Trade Unions, this afternoon met with a delegation from the Union of Tanzania Workers (JUWATA) led by J.C. Rwegasira, general secretary of the union. They discussed the further development of the friendly cooperation between the workers and trade unions of China and Tanzania. The delegation arrived here this morning on a visit at the invitation of the All-China Federation of Trade Unions.

Ji Pengfei Meets Delegation

OW101938 Beijing XINHUA in English 1511 GMT 10 Aug 82

[Text] Beijing, August 10 (XINHUA) -- State Councillor Ji Pengfei met and had a cordial talk here today with a delegation from the Union of Tanzania Workers (JUWATA) led by J.C. Rwegasira, general secretary of the Union. Present were Wang Jiachong, member of the secretariat of the All-China Federation of Trade Unions, and S. A. Mbenna, charge d'affaires ad interim of the Tanzanian Embassy in Beijing.

MILITARY DELEGATION LEAVES TANZANIA FOR ZAMBIA

OW101438 Beijing XINHUA in English 1301 GMT 10 Aug 82

[Text] Dar Es Salaam, August 9 (XINHUA) -- A Chinese Military Good-will delegation led by Xu Xin, assistant to the chief of the general staff of the Chinese People's Liberation Army, left here this evening for Lusaka upon the conclusion of a week-long visit to Tanzania. The delegation arrived in Tanzania on August 3. It was received by Tanzanian Minister of Defence and National Service Abdallah Twalipo on August 4. During its stay in Tanzania, the Chinese delegation also visited military institutions and other establishments. The delegation will also visit Zambia and Zimbabwe.

RENMIN RIBAO URGES RELEASE OF NELSON MANDELA

HK060743 Beijing RENMIN RIBAO in Chinese 5 Aug 82 p 7

[Short commentary: "Nelson Mandela Must Be Freed Immediately"]

[Text] Today is the day that the people of various countries all over the world have fixed as a day to carry out a struggle to urge the South African authorities to release Nelson Mandela, former commander of the African National Congress in South Africa. The Chinese people firmly support this struggle and earnestly demand that the South African authorities immediately release Mandela.

Twenty years ago, Mandela was illegally arrested by the South African authorities for his opposition to the unilateral establishment of "The South African Republic" by the racist state power in South Africa. The South African authorities, in accordance with their so-called "Antisabotage Act," sentenced him to life imprisonment for the offense of "carrying out activities of incitement." They put him in the prison on Robbeneiland which is heavily guarded and isolated from the outside world. For all these 20 years, Mandela has suffered enormously in jail.

For many years, the South African authorities have been pursuing their barbarous policy of racial discrimination and have promulgated diversified laws of racial discrimination and segregation. Thus, they have deprived the broad masses of South African black people of all their political rights and basic human rights including even minimum personal freedom. Every year, the number of black people who are arrested for the so-called offenses of violating the "Pass Act" and "Antisabotage Act" exceeds 500,000. The South African authorities are using bloody suppression in dealing with the South African black people's struggle for democratic rights, freedom and liberation. As a result, they have turned today's South Africa into a hell on earth. However, they can never put down the struggle of the oppressed people. Mandela has solemnly declared in court: "I bitterly hate racial discrimination no matter what form it takes and I will fight all my life against it....until I die." His words have expressed the iron will of the South African people who have been fighting for their independence and freedom.

The South African people's struggle against racism and for national independence and liberation, which is an important component of the Asian, African and Latin American people's struggle against imperialism and colonialism, have won sympathy and firm support of all the peoples in the world who are against imperialism and colonialism. World public opinion has pointed out that Mandela and other "political prisoners" detained by the South African authorities have fought for the majority of the black people to regain their own proper rights. The charges that the South African authorities have made against these people are all fabricated. The South African authorities must release all of them immediately and unconditionally. The Chinese Government and people will forever stand by the South African people and firmly support them in their just struggle for the thorough elimination of racial discrimination and apartheid in the world.

ELIMINATING CPC'S DEGENERATE ELEMENTS STRESSED

HK111001 Beijing RENMIN RIBAO in Chinese 11 Aug 82 p 1

[Commentator's article: "Expel Degenerate Elements From the Party"]

[Text] Li Zhenhua, former secretary of the CPC Committee of Baofeng County in Henan Province, became a veritable wine dealer. Although this was an isolated case, it was very serious indeed. We should heighten our vigilance and pay close attention to this matter.

A county CPC committee is the party's leading organ in the whole county. Its task is to lead, through the exemplary deeds of Communist Party members, people of the whole county to implement and pursue the guiding principles, policies and laws as well as the decrees of the party and state, do various work well and strive for the interests of the people of the whole county. Li Zhenhua, as a county party secretary, did exactly the opposite. He took the lead in sabotaging the party's guiding principles and policies and trampling on state laws and decrees. Eventually, he degenerated into a shameful criminal element. Li Zhenhua was expelled from the party and arrested according to law. He deserved the punishment. One thing which merits our attention is that the number of degenerate cadres like Li Zhenhua is not limited to one or two throughout the country. To maintain the purity of Communist Party members and the nature of our party as the vanguard of the proletariat, we should resolutely dismiss them from their posts and punish them according to the discipline of the party and government and state laws regardless of their positions and contributions. If we fail to do so, we will be unable to completely check criminal activities in the economic field and maintain the purity of our party organizations and Communist Party members. If this is the case, our four modernizations will be harmed.

The case of Li Zhenhua has once again proved that, in places where criminal activities in the economic field run rampant, party organizations are severely impure ideologically, politically and organizationally. At present, party organizations in a small number of units and localities have become degenerate. If we fail to conscientiously consolidate the party organizations, enforce discipline and correct the party's work style, the consequences will be too ghastly to contemplate. The seriousness of Li Zhenhua's case lay not only in his degeneration because of his failure to resist the corrosion by capitalist ideology, but also in the fact that his criminal activities were not effectively checked for a long time. When Li Zhenhua was carrying out criminal activities of violating the policy on the readjustment of wine and cigarette prices, some leading members of the county CPC committee joined in the evildoings and committed crimes in collusion with him. When the crimes were exposed, some people refused to report them to the authorities and some other people pleaded for mercy for him, trying to turn big problems into small problems and small problems into no problems at all. All this has shown that the criminal activities of Li Zhenhua were not an isolated phenomenon. The leadership of the party organizations in his county was seriously lax and weak. These party organizations should be thoroughly consolidated ideologically, politically and organizationally.

"The CPC Central Committee and State Council decision on severe punishment of criminals who seriously undermine the economy" said: "Dealing blows at serious criminal activities in the economic field is the most practical and effective means of consolidating the party under the present conditions." We hope that party committees at all levels will draw a lesson from the case of Li Zhenhua, strengthen their leadership over this struggle, give Communist Party members more education in light of practical conditions of the localities and units concerned, enforce regular activities of the party organizations, carry out criticism and self-criticism and provide Communist Party members with effective education in resisting corrosion. In so doing, we will strengthen our party's combat effectiveness and our party will be able to accomplish more effectively the important task of leading people of the whole country to carry out socialist modernization.

HE JIANZHANG ON MANAGEMENT OF PLANNED ECONOMY

HK120448 Beijing RENMIN RIBAO in Chinese 10 Aug 82 p 5

[Article by He Jianzhang [0149 1696 4545]: "Management Methods for Planned Economy" -- capitalized passages published in boldface]

[Text] A socialist economy is a planned economy. The state must carry out management under unified planning over all socioeconomic activities. However, how does the state carry out this management, or what methods will it use? This is a question which needs to be discussed further.

There are two management methods in the planned economy: the administrative method and the economic method. One of the main shortcomings in the past in planned economic management was that the administrative method was one-sidedly emphasized. The main examples of this were; first, economic management through the administrative organs and in accordance with administrative levels and divisions was overemphasized; second, compulsive plans were one-sidedly stressed, attempting to bring all economic activities into line with unified planning by means of setting compulsively planned targets; and third, the over-centralized planned management system was practiced and the decisionmaking power of the enterprises -- the basic organizations of social economy -- was neglected in the management of enterprises. The basis for this management method was the theory which denies the relatively independent economic interests of the enterprises, denies the existence of commodity production and exchange as well as the regulatory role of the law of value and the market in the socialist economy.

In our country, the excessive use of the administrative method in economic management chiefly appeared after the basic completion of the socialist transformation of the private ownership of the means of production. Although the administrative method was also emphasized before the socialist transformation, generally speaking, both administrative and economic methods were adopted at that time. This was an important reason why a relatively good job was done in our economic management and the national economy was developed more smoothly during the period of rehabilitating the national economy and the period of the First "Five-Year Plan." After 1957, the trend of merely using the administrative method in economic management became more and more serious. In the "people's commune movement," some people advocated abrogating commodity production and eliminating currency. In actual work, such mistakes as egalitarianism and indiscriminate transfer of resources were widely committed. Unrealistically high target plans were imposed on industrial and agricultural production, resulting in serious damage in the interest of the economic units, especially the interest of the collective economic units, and the dampened enthusiasm of the masses. As a result, our economy came into great difficulties. The practice of merely relying on the administrative method in economic management, which runs counter to objective law, including the commodity economy law, was chiefly responsible for the mistakes at that time in our economic work. In view of this situation, at the beginning of the 1960's, some economists proposed mainly using the economic method. Comrade Liu Shaoqi, in particular, after personally making investigations and summing up experiences in socialist construction, put forth the idea of "administering the economy by means of economic methods." He suggested organizing and running various companies (trust) as experiments, and then reorganizing the industrial structure in our country on this basis. Unfortunately, these correct ideas were regarded as "sinister revisionist programs" and "sinister examples of restoring capitalism" during the "Great Cultural Revolution," and were criticized by Lin Biao and the "gang of four." The experiments in organizing companies were also forced to stop. Since the smashing of the "gang of four," by summing up the experiences and lessons of our socialist construction, more and more economic workers and economic theoretical workers have realized that it is necessary to reform the system of merely relying on the administrative method in administering the economy and to replace it with the system of combining both economic and administrative methods.

Then, how do we use the economic method to administer the economy? The following points warrant consideration.

GRADUALLY CHANGE THE SYSTEM OF ADMINISTERING THE ECONOMY THROUGH ADMINISTRATIVE ORGANS INTO THE SYSTEM OF ADMINISTERING THE ECONOMY MAINLY THROUGH ECONOMIC ORGANIZATIONS. In order to improve economic effect, it is necessary to organize various companies in accordance with the principles of coordination among specialized departments. These companies can be organized from the primary levels to the higher levels or vice versa. According to different trades, various forms of management can be adopted by these companies. For example, some companies (such as professional and joint companies) can make combined efforts in commercial activities, such as joint ordering and selling of goods. Some companies are merely service companies, such as various repair companies. In the light of the nature and range of their economic contacts, the barriers of different departments and districts as well as those of various ownership systems can be broken down. Being economic organizations, these companies, either at the national level or the local or district levels, must be granted relatively independent positions and powers which should have been granted to commodity producers. The relations between national and local or district companies, between general and branch companies and between companies and independent enterprises are not jurisdictional relations. They must be related to each other through economic contracts. The economic contact between the central and local administrative departments and the companies must also be carried out through contracts, except for the payment of taxes and other fees to be made by these companies to the central or local organs according to provisions of the law. The central and local administrative departments will no longer directly meddle in the daily management of various economic organizations. Their main jobs will be studying and formulating the economic and social development strategy and development plans, offering economic information and forecasting and technological guidance, and organizing exchanges of experiences. They must also make various economic laws and regulations and economic policies so as to balance the plans of various economic organizations and bring their activities into line with state planning by means of economic levers.

TO REFORM THE PLANNED MANAGEMENT SYSTEM UNDER WHICH COMPULSIVELY PLANNED TARGETS WERE SET IN THE PAST, IT APPEARS NECESSARY TO GRADUALLY REDUCE SUCH TARGETS AND EXPAND THE RANGE OF DIRECT PLANS SO THAT VARIOUS ECONOMIC LEVERS CAN BE FULLY UTILIZED TO ENSURE THE FULFILLMENT OF STATE PLANS.

For a long time, people have equated the system of planned economy with the compulsive plans, or have even regarded the compulsive targets as a symbol to show whether the plans are good or not. This is a misunderstanding. When the socialist economy is referred to as a planned economy, it not only implies the meaning in the economic system in this respect, but also, and chiefly, implies the meaning that the socialist society is capable of balancing the main proportional relations in the national economy, such as the proportion between accumulation and consumption, between the two major categories of social production, between production and construction, and between social purchase power and commodity supply ability, and the relations between the economic construction and the range of improvement in the people's livelihood. Thus, the general social demands and supplies can be balanced and the harmonious development of the national economy can be ensured. Our past experiences show that since, in most years, being influenced by the "leftist" guiding ideology was characterized by being overanxious for quick results, the accumulation rates were too high and the general scope of capital construction was too large, the tasks for heavy industry were too heavy and agriculture and light industry were affected. As a result, there was a short market supply for a long time. In recent years, attention has been paid to curtailing the capital construction front, reducing the accumulation rate and raising the proportion of consumption funds. However, a new trend has appeared, indicating that the expenditure of bonuses and welfare funds is out of control.

Therefore, in order to ensure the steady and harmonious increase of the national economy, the state must strictly control the total amount of capital construction investment, all wages for staff and workers, all bonuses, welfare funds and insurance, and the funds for cultural, educational, public health and other public institutions. If all this is under control, there will be no serious trouble in any part of the national economy. For this reason, the state must directly control the proportional relations affecting the whole situation, the total investment and scope of capital construction and major construction projects, and must set compulsive targets for the production of important products which have a bearing on the national economy and the people's livelihood. However, for most enterprises and most products, it is impossible and unnecessary for the state to set compulsive targets. It is only necessary for the state to form some direct plans for the production of some relatively important consumer goods and means of production. With reference to these direct plans and in the light of the actual needs of the market, the enterprises will be able to work out plans for the production, supply and sales of their products. Under normal conditions, the state only plays a guiding role through various economic levers such as price, tax and credit loans, unless the enterprises have violated policies or their business activities have seriously damaged the overall balance of the national economy, and then the state has no choice but to intervene administratively. As for some odd and small commodities, especially the third category agricultural and sideline products and the household sideline products of the peasants, instead of making concrete plans and assigning concrete targets, what the state has to do is only to promulgate methods for market management and make general market analysis so that the businessmen and managers can carry out production and sales according to the market situation.

Carry out the policy of combining centralized and decentralized management.

In economic management, the decisionmaking powers in the macroeconomic field, such as in the above-mentioned decision of the main proportional relations in the national economy, the formulation of important economic policies and the decision for carrying out important economic activities, must be grasped by the central authorities. However, those in the microeconomic field, such as in daily production, supply and sales in the enterprises, the management of manpower, financial and material resources and other management activities, must be grasped by the enterprises, except for a few products which are stipulated as being produced according to compulsive plans. Of course, since the enterprises are only a part of the whole, it is necessary for the state to proceed from the whole situation and strengthen management to coordinate the activities of various enterprises. This centralized management does not mean to neglect the management by the laboring masses. On the contrary, it is realized on the basis of extensive democratic management. Only in this way can the entire national economy be developed in a planned and proportionate way, can the enthusiasm of the enterprises be brought into full play and can the socialist construction cause be ensured to advance vigorously.

It is necessary to emphatically point out that by mainly discussing the economic method for planned management in this article, we do not at all mean that the administrative method is not important and can be abolished. The administrative method is an important aspect of the economic functions in a socialist country. It is also an important guarantee for the development of the national economy in a planned and proportional way. The administrative and economic methods supplement each other in socialist economic management. Under the present conditions in our country, the main administrative methods in economic management are: coordinating the plans of various economic organizations, making plans for the development of the national economy, drawing up various economic laws and laying down regulations for the management and activities of various economic organizations; practicing state control over the greater part of the capital construction investment and major construction projects; formulating various technological and economic policies which suit the actual conditions of our country; and the state exercising administrative powers, when necessary, to interfere in the affairs of the economic organizations, such as giving some compulsive targets and ordering certain enterprises to close, merge and cease or change production.

STATE COUNCIL CALLS FOR BETTER FINANCIAL WORK

OW120502 Beijing XINHUA Domestic Service in Chinese 1238 GMT 11 Aug 82

[Excerpts] Beijing, 11 Aug (XINHUA) -- Recently the State Council circulated the Ministry of Finance's "Report on Strengthening the Financial and Accounting Work of State-Owned Enterprises," calling for efforts to strengthen the financial and accounting work of state-owned enterprises.

The Ministry of Finance report says: In the past few years, while implementing the economic responsibility system and urging the enterprises to improve their management, the state has adopted numerous measures which have somewhat improved and upgraded the enterprises' financial and accounting work. However, judging by the findings of the financial inspections of enterprises carried out in various places, only a small number of enterprises have been found to have done relatively well in this area. Most of the enterprises suffer to varying degrees from such problems as low financial management standards, nuclear accounts, inaccurate accounting of assets, funds and costs, lax financial discipline; and so forth. There are also a small number of enterprises where financial management is in confusion, losses and waste are serious, and cases of violation of law and discipline keep taking place.

The report calls on all areas and departments, in consolidating enterprises, to focus on increasing economic results, seriously strengthen financial and accounting work and to strive to markedly raise the management level in this field in 2 or 3 years.

The Ministry of Finance report spells out 9 demands for strengthening financial and accounting work of state-owned enterprises. The substance of the demands is as follows:

1. All enterprises must carry out a thorough overhaul of their financial and accounting work.
2. It is necessary to establish and improve the foundation of economic accounting and a financial and accounting system.
3. It is necessary to conscientiously enforce state distribution policies and relevant stipulations.
4. State property must be kept intact and protected from damage or being encroached upon.
5. It is necessary to strengthen cost accounting and accurately reflect the enterprises' business performance. It is impermissible to hold something back, falsify accounts or given false information on costs.
6. Profit must be turned over to the state promptly and fully, and it is impermissible to hold up, divert or default on state income.
7. It is necessary to strengthen the management of various special funds and bring better results from the use of these funds.
8. It is necessary to improve the financial and accounting organizations and train financial and accounting personnel.
9. It is necessary to strengthen financial supervision by the masses and specialized personnel. Workers, staff members and financial and accounting personnel of enterprises who expose illegal acts are protected by state law, and retaliation against them is strictly forbidden. Financial and accounting personnel who knowingly violate the law and infringe on the interests of the state should receive more severe punishment.

STATISTICS BUREAU ON IMPROVED ECONOMIC RESULTS

OW120210 Beijing XINHUA Domestic Service in Chinese 0727 GMT 11 Aug 82

[Text] Beijing, 11 Aug (XINHUA) -- According to a release of the State Statistical Bureau, since the convening of the 3d Plenary Session of the 11th CPC Central Committee and along with the readjustment of the national economy and improvement in the economic structure, China's industrial enterprises have raised their economic results in the following five fields:

1. Energy consumption has been reduced. Compared with 1980, energy consumption per every 100 million yuan of industrial output value in 1981 was 5,300 dun less, in terms of standard coal. Of the 26.5 million dun of standard coal conserved in the whole year, 86 percent was saved through readjusting the ratio between light and heavy industrial production and restructuring the production of certain products, while 14 percent was saved through strengthening energy management and lowering consumption quotas.
2. The quality of most major products has been improved. Of 78 major products produced by China's key industrial enterprises, the quality of 67 products, that is 85.0 percent of the total, was improved in 1981 over 1978. They include iron and steel, coal, cement, plate glass, cotton yarn and cloth, machinemade paper and cardboards.
3. The circulation of floating capital has been sped up. The floating capital used by state-owned industrial enterprises for every 100 yuan of industrial output value decreased from 32 yuan in 1978 to 30.2 yuan in 1981. The frequency of circulation increased and the circulation period in 1981 was 9 days less than that in 1978.
4. Financial revenues for the state have been increased. In 1981 industrial enterprises contributed to the state 85,000 million yuan in revenue, compared to 84,310 million yuan in 1978.
5. Labor productivity has been raised. In 1981, per capita labor productivity in state-owned enterprises averaged 11,815 yuan, 730 yuan more than in 1978. From 1979 to 1981, the annual rate of increase for per capita labor productivity averaged 2.2 percent.

The State Statistical Bureau release points out that although China's industry has improved its economic results during the three years of readjustment, the potential remains great. Leaders at various levels of industrial departments and the broad masses of workers and staff must make persistent efforts so as to bring about a big increase in the economic results of industrial enterprises within a short time.

NEW FUEL POLICY TO BE ENFORCED FROM 1983

OW111357 Beijing XINHUA Domestic Service in Chinese 0101 GMT 11 Aug 82

[Text] Beijing, 11 Aug (XINHUA) -- The state has decided to enforce its new fuel economic policy beginning 1 January 1983. Fuel needed for industrial boilers (excluding power station, locomotive and ship's boilers) will be rationed. The portion conserved from the fixed quota may be retained for future use. Fuel will not be resupplied to those units which have exceeded the fixed consumption quota. If they wish to be resupplied, they will be charged at an increased price.

This policy was contained in the "Decree for Conserving Coal Used by Industrial Boilers" recently promulgated by the State Council.

The decree says industrial boilers are heat producing equipment indispensable for developing the national economy and improving the people's life. The majority of China's existing boilers are comparatively backward and poorly managed. They not only waste fuel but also cause serious environmental pollution. Low-efficiency boilers must be replaced or transformed in a fixed period of time. Otherwise, fuel supply will be suspended. Consumers should strengthen management of coal-burning boilers, raise their thermal energy utilization rate, conserve steam and gradually achieve the objective of using steam according to a planned estimate and assessment.

The decree calls for strict limits on expanding boilers capacity. Any unit wishing to expand the capacity of new, replaced or reformed boilers must go through the necessary formalities by getting the approval of the local energy-saving department, the energy supply department and the department in charge of consumers. Otherwise, no coal will be supplied.

The decree urges that replacement of boilers, collective heat supply and joint production of heat and electricity should go hand in hand. From now on, local people's governments should be responsible for organizing the departments concerned to draw up a plan and design for the collective supply of heat to newly constructed industrial zones and residential areas. Otherwise, construction departments will not be permitted to carry on their work, and fuel supply departments will stop supplying fuel.

The State Council's decree sets specific stipulations on supplying coal for industrial boilers at fixed locations, on raising the heat efficiency of heat-using equipment, on replacing steam heating with hot-water heating and on technical training for boiler operators.

PROGRESS IN BAOSHAN STEELWORKS CONSTRUCTION

OW111325 Beijing XINHUA Domestic Service in Chinese 0146 GMT 11 Aug 82

[Newsletter by XINHUA correspondent Zhou Yongkang: "A Report From Baoshan Iron and Steel Complex"]

[Excerpts] Shanghai, 11 Aug (XINHUA) -- This is a report from the Shanghai Baoshan iron and steel complex. In this report, we shall accurately report to the people of the whole country on the present and future of this extra-large construction project.

More than 3 years have passed since the first steel-tube pile was driven into the ground at the Baoshan project, toward the end of 1978. In the more than 3 years, with the warm attention of the party Central Committee and the State Council and the enthusiastic support of the people in the whole country, the builders of the Baoshan project have overcome difficulties and completed a great amount of earth and construction work and are now concentrating on the installation of equipment. At present a modern integrated iron and steel enterprise is beginning to take shape. Particularly eye-catching is the huge No 1 blast furnace on the central main road of the complex. This, one of only a small number of "iron and steel giants" in the world, has grown to 90 meters tall, with only some 20 meters left to reach its full height. Standing at some distance away and facing the blast furnace is the steel mill. In the tall reddish brown plant building, three large converters with a capacity 10 times that of existing converters in Shanghai are waiting to be installed. An overhead traveling crane, which can lift more than 400 tons, has already been placed on the roof truss of the building. The emerald green steel structure plant building of the primary steel rolling mill, which is 1 kilometer long from one end to the other, is largely completed. Since its first 350,000-kilowatt generating unit was placed in the power grid and began trial runs shortly before 1 May this year, the power station of the Baoshan complex has so far generated more than 150 million kilowatt-hours of electricity. A second generating unit of the same capacity is being installed. This indicates that the Baoshan project has begun to produce economic results while under construction.

The Baoshan iron and steel complex brings together many advanced technologies of the late 1970's from metallurgical industries of various countries. In the first-stage construction alone, 17 large electronic computers have been installed in the raw material, sintering, coking and iron-smelting [jiao hua lian tie 3542 0553 3550 6993], steelmaking, primary rolling, seamless steel tube and other departments. Some of the departments have also formed computer networks among themselves. There are more than 30,000 automated instruments and meters of various kinds and sizes.

The correspondent called on Comrade Zhu Peitong, secretary of the Baoshan iron and steel complex party committee, to find out about the economic returns after the completion of the Baoshan project. He said: The economic results after the first-stage construction of the Baoshan project was completed and put into operation are not very ideal. This is because the first-stage construction consists only of iron-smelting, steelmaking and primary rolling equipment and the major products are steel billets and steel tubes. Even if production reaches 100 percent of the designed capacity, the net profit plus tax and equipment depreciation funds provided each year by the Baoshan complex amounts to only a few hundred million yuan. On the other hand, the state still has to import large quantities of urgently needed steel plates and other steel products. If the Baoshan complex can push forward the construction of the hot-rolling, cold-rolling and ancillary facilities, it will be able to produce each year about 3 million tons of hot-rolled thin sheets, cold-rolled thin sheets, galvanized sheets and colored sheets as well as 700,000 tons of hot-rolled medium plates. Then the complex's annual net profit will multiply. Therefore, early planning and arrangements for the construction of the hot-rolling, cold-rolling and ancillary facilities seem to be imperative.

Day and night during my visit to the Baoshan project, I strongly felt that the builders of the Baoshan complex are advancing continuously along a realistic course and are working hard to do a good job in the construction of this extra-large project which is attracting worldwide attention.

RENMIN RIBAO ON HEAVY INDUSTRY ECONOMIC RETURNS

HK120723 Beijing RENMIN RIBAO in Chinese 10 Aug 82 p 5

[Excerpts from 1982 CHINA ECONOMIC YEARBOOK, article by Chen Xian [7115 0341]: "Efforts Must Be Made To Raise the Economic Returns in Heavy Industry"]

[Text] For quite a long time, we have overemphasized speed in economic work but put less stress on economic returns. As a result, the increase of the public wealth and the people's living standard are not adaptable to the work put in by the people. In his report on the work of the government delivered at the Fourth Session of the Fifth NPC, Comrade Zhao Ziyang treated raising economic returns as the basic starting point of all economic problems and put it forward as a central issue and new way in economic construction. He said: "Proceeding truly from the practical situation of our country, proceed along a new road with relatively practical speed, better economic returns and more rewards for the people." This is the summation of historical experiences as well as the requirement of real life. At present, if we fail to transfer the pivotal point of economic work to raising economic returns, we will be unable to make achievements in improving the financial and economic status of our country. It is necessary to raise economic returns in the fields of production, construction and circulation without exception. In heavy industry, efforts must be made to manufacture as many products as possible to meet social requirements with as little living labor and labor consumption as possible.

We all know that heavy industry constitute an important position in the national economy and it is of great significance to raise economic returns in heavy industry. This is because, first, heavy industry constitutes a large proportion of the national economy as a whole. It employs over 70 percent of all people employed in industry and accounts for over 80 percent of all industrial fixed assets. The net output value of heavy industry constitutes more than 50 percent of the whole industrial net output value and the volume of exports of heavy industrial products constitutes about 40 percent of the whole volume of exports of commodities. At present, the main source of China's financial revenue is the accumulated funds in industry and heavy industry constitutes a large proportion in this field. Therefore, the economic returns in heavy industry play an important role in the country's financial and economic situation. Second, heavy industry plays an important role in the national economy.

In addition to meeting the requirements of its own departments, the vast majority of heavy industrial products are supplied to other economic departments. Therefore, the quality of heavy industrial products has a direct impact on the economic returns of other departments. If we can supply more and more heavy industrial products of advanced technology, best quality, with the minimum consumption, high efficiency and low cost, the economic returns of the whole national economy will be raised greatly. Third, there is great potential in heavy industry. At present, there exist in many enterprises of the heavy industrial departments the problems of chaotic management, large consumption of goods and materials, inferior quality of products and high production costs, low productivity, serious losses in business and a low utilization rate of productive capability. Many economic and technical targets are even lower than those attained in the past. Therefore, there is great potential for raising the economic returns in heavy industry.

How to raise the economic returns in heavy industry? In the long term, we must make great efforts to strengthen scientific research, organize forces in tackling technical problems, popularize technical achievements, raise the cadres' abilities in management, upgrade the workers' cultural and technical level and transfer the pivotal point of heavy industry to a new technical foundation. Currently, stress must be laid on the following:

First, it is necessary to straighten out enterprises completely. An enterprise is the basic unit for carrying out economic activities. In order to raise economic returns in heavy industry, we must start with straightening out enterprises. In straightening out enterprises: 1) Stress should be laid on straightening out the leading bodies of enterprises, selecting and promoting a group of cadres and technicians who are in the prime of life and familiar with their own profession and have both ability and political integrity, to the posts of managers, deputy managers or factory heads, thus making the leading bodies of heavy industry younger, more intellectual, more professional and more revolutionary. 2) Stress should be laid on straightening out and perfecting the economic responsibility system, clearly defining the responsibilities of the enterprises to the state and the responsibilities of staff and workers to the enterprises, strengthening various types of basis enterprise management work, establishing and perfecting a financial and economic accounting system, establishing various post responsibility systems, strictly organizing production in accordance with a fixed number of staff and fixed quotas, and thoroughly examining enterprises. 3) Stress should be laid on rectifying and strengthening labor discipline and establishing and perfecting the system of punishments and rewards. 4) Stress should be laid on rectifying financial and economic discipline, plugging loopholes of tax evasion. It is necessary to investigate and affix the economic responsibility for violating financial and economic discipline, for retaining the profit which should be remitted without authorization and evading taxation. Through straightening out the heavy industry enterprises, we can upgrade the quality of products, reduce production cost, raise productivity and make achievements in speed and returns.

Second, it is necessary to readjust the structure of enterprises and the structure of products. We must first readjust the structure of enterprises. The present structure of enterprises in heavy industry is irrational. Although there are many enterprises at present, there is a growing trend of blind construction, excluding big enterprises with small ones and squeezing out advanced enterprises with backward ones. Therefore, it is all the more necessary to continuously carry out readjustment of the structure of enterprises and resolutely halt production or switch to another line of production in those factories which have suffered losses for a long time due to manufacturing products of inferior quality that are not in accordance with the social requirements yet have a high consumption.

Meanwhile, it is necessary to effect union between enterprises in accordance with the principle of professional coordination and economic rationalization. Furthermore, it is necessary to set standards for building factories and put an end to establishing new enterprises blindly. Only by doing so, can we achieve rationalization in enterprise structure and raise the comprehensive economic returns of society.

Next we must readjust the product structure. At present, fuel and electrical power, the forestry industry and construction materials and other heavy industry raw material products are in short supply, and cannot meet the requirements of the development of the national economy. Many products of the processing industry, particularly mechanical and electrical goods, are in excessive supply, supply far exceeds demand and there is large overstocking. In the future, we must accelerate the development of the fuel and power industry and reverse the backward status of mines. Meanwhile we must strengthen communications and transportation and continue to develop the raw material industry. In the production of mechanical and electrical products, we must, through professional coordination, tap the potential of existing enterprises and do a good job in upgrading and replacing products. We must improve design, enforce the plan for new varieties and go into operation in strict accordance with requirements. As for those products that are in excessive supply, do not meet the requirements and suffer with large consumption, we must resolutely restrict their production. As for those products in short supply of a temporary nature, we must, through investigation and research, draw up an overall plan and promote a planned increase so as to prevent precipitate action and new overstocking. Only by having our eyes on long-term and overall interests but not the present and partial interests, can we achieve the greatest economic returns. By effecting such a readjustment in enterprise structure and product structure, we can increase production through being thrifty and manufacture more heavy industrial products with the same amount of fuel and raw materials to better meet the needs of society.

Third, we must do a good job in the renewal of equipment and technical transformation in the heavy industrial enterprises. To carry out technical transformation in the existing enterprises needs less investment than building new factories yet achieves faster and better returns. The technical transformation in heavy industrial enterprises must be carried out according to plan and by steps according to requirement and possibility. We must first of all grasp those industrially-developed central cities and major enterprises, but must not rush headlong into mass action. Viewed from the present situation, the stress of technical transformation must be laid on saving energy and raw materials, upgrading product quality, reforming product structure and increasing the products in short supply to meet social requirements. To put it in a word, the stress should be laid mainly on raising economic returns. Funds needed for technical transformation come mainly from the enterprises themselves. At present, the amount of depreciation funds held by the heavy industrial enterprises and funds for developing production reserved from part of the profit is very large. The amount will be much larger if bank credit is added. These funds must be spent mainly on technical transformation, particularly on renewal of equipment, but not on building new factories. As long as we carry out technical transformation well in the existing heavy industrial enterprises, we will achieve great results in investment.

Fourth, we must raise the returns on investment of capital construction. We must first check up on the heavy industrial projects under construction. We must resolutely cancel those projects not needed urgently, the projects that are being developed prematurely and the projects which are unable to go into operation after the building of factories. The funds and material must be withdrawn and spent on the urgent projects which will be built and go into operation in a short time. Arrangements should be made rapidly for those urgent projects which cannot keep pace with the installation of full sets of equipment, so as to benefit launching a rush attack with concentrated force and guarantee smooth operation after the factories are built. Next, we must impose strict control on building new projects. If we can increase output by relying on the existing enterprises, we must absolutely not build new ones so as to prevent the expansion of capital construction. We must have careful consideration and repeated proof before we decide to start new large or medium projects. Only when we are certain of success, can we bring them into line with the plan and arrange the design and construction. All large and medium construction projects must be handled strictly according to the procedure for capital construction and preparations must be made for the early stage of construction.

We must practice five fixes, that is, fix the construction scale, fix the general investment, fix the construction period, fix the investment returns and fix the conditions for external coordination, and prevent the repetition of previous mistakes, such as vague geological and resource conditions, miscalculation of economic returns and incurring waste and losses as a result of going into operation with premature external conditions. It is necessary to continuously promote the method of bank loans instead of financial allocation in the investment in capital construction and to stimulate the construction units to strengthen business accounting. It is necessary to gradually promote the contract construction system [bao jian zhi 0545 1696 0455] in capital construction so as to accelerate the construction process, upgrade the quality of construction, shorten the construction period, reduce the cost of projects and raise the returns on investment in one way or another. The heavy industrial departments must strive to establish more production capability with the same investment.

Through the efforts made in the above-mentioned fields, we will greatly raise the economic returns in heavy industry.

PLA GENERAL STAFF STUDIES CPC COMMUNIQUE, LETTER

OW111111 Beijing XINHUA Domestic Service in Chinese 1728 GMT 10 Aug 82

[Text] Beijing, 10 Aug (XINHUA) -- Cadres and fighters of organs of the PLA General Staff headquarters have held discussion meetings in the past few days to conscientiously study the commune of the 7th plenary session of the 11th party Central Committee. In the light of the letter paying tribute to Comrade Liu Bochong from the 7th plenary session of the 11th party Central Committee, they spoke glowingly of Comrade Liu Bochong's great contributions to building the army. They unanimously expressed their determination to follow the example of the proletarian revolutionaries of the older generation, heighten their revolutionary spirit, open up new prospects in army building and greet the victorious convocation of the 12th CPC National Congress with concrete actions.

Some who had served on Comrade Liu Bochong's staff were especially excited. They said: The party Central Committee's letter paying tribute to Comrade Liu Bochong fully expresses its solicitude for proletarian revolutionaries of the older generation and reflects the common feelings of the whole party, the whole army and the people throughout the country for the proletarian revolutionaries of the older generation.

Some comrades said: Comrade Liu Bochong has profound knowledge and rich experience. He has great political foresight and is superbly astute and resourceful as a military man. Summing up his experience in revolutionary struggle, Comrade Liu Bochong has written many extremely brilliant military works. These writings form a component part of Mao Zedong's military thinking. They are our valuable wealth and good teaching material for us to study Mao Zedong's military thinking.

At the discussion meetings, some comrades recalled with deep feeling the revolutionary spirit and noble moral character Comrade Liu Bochong demonstrated in work. Some comrades said: He is a marshal with distinguished battle achievements, but he is very modest. He often told us: "I, Liu Bochong, am also a staff officer." Such noble moral character is always worth learning from.

Comrades who had worked in a certain office held by Comrade Liu Bochong said: Marshal Liu always took great pains to teach us that we should always "do more thinking carefully and in depth, sum up and analyze, and deliberate repeatedly." He always practiced what he preached and set a very good example for us. He long suffered from poor eyesight and used a magnifying glass to read, study maps and write, working conscientiously to build the army. Whenever we think of these things, we feel increased confidence and strength to do our work well.

In Comrade Liu Bocheng's native place, Kai County, Sichuan, when the cadres and masses studied the communique of the 7th plenary session of the 11th party Central Committee, they felt that the plenary session's letter paying tribute to Comrade Liu Bocheng expressed their feelings. Many comrades said: Comrade Liu Bocheng fought countless battles in different parts of the country and performed meritorious services. The people in his native place will always remember him, learn from him and build the country into a still better place with Marshal Liu's revolutionary spirit.

RENMIN RIBAO ON DEVELOPING PLA'S ECONOMIC WORK

HK110715 Beijing RENMIN RIBAO in Chinese 9 Aug 82 p 3

[Article by Hong Xuezhi [3163 1331 2535], director of PLA General Logistics Department: "Do a Good Job of the Army's Economic Work"]

[Text] The draft of the revised constitution stipulates: The state "gradually improves the material and cultural life of the people and enhances national defense capabilities." The revolution adopted at the sixth plenary session states: "The building up of national defense must be in keeping with the building up of the economy." This is a fundamental principle in handling the contradiction between supply and national defense needs.

In doing the army's economic work, we must proceed from our country's national conditions. Necessity must be subordinated to possibility and parts must be subordinated to the whole. Last year, as a result of further readjustment of the national economy, comrades throughout the army consciously showed understanding of and shared the country's difficulties and strictly practiced economy. They not only ensured urgent needs for building up the army but also purchased 170 million yuan of treasury bonds to support socialist construction. Much of the army's logistics work is economic work. In order to do the work well, we must first carry out investigations to be clear about the situation and to understand how things stand. Secondly, in accordance with available funds and materials, we must arrange our work in order of importance and urgency and spend our money where it is needed most. Thirdly, we must adopt practical and feasible measures to ensure careful calculation and strict budgeting. We must do more things with less money in the spirit of "spending each fen with extreme care."

Relying on our own hands to develop production is a fine tradition of our army. Developing agricultural and sideline production plays an important role in supplementing supplies to the army, improving army life and reducing the load on the state and the people. Army-owned enterprises, construction units and other economic institutions must continue to increase economic returns under the guidance of the state's planned economy.

Expenditure must be reduced while sources of income must be broadened. We must improve professional management, rigorously enforce rules and regulations, strengthen the auditing system and guard against waste and losses so that all funds and materials can really be used for building up the army.

PLA LOGISTICS DEPARTMENT FORUM ON MAO PHILOSOPHY

OW111355 Beijing Domestic Service in Mandarin 1200 GMT 9 Aug 82

[Text] The PLA General Logistics Department recently held a forum on the study of Mao Zedong's philosophical thinking. The forum clearly pointed out that it is necessary to fully understand the historical status of Mao Zedong's philosophical thinking, to raise our consciousness in studying it and to improve our way of thinking and style of work by overcoming interference from both the left and the right in order to promote the modernization and regularization of the army. Forty-one theses were read at the forum.

PLA ARTILLERY UNIT STUDIES MAO ZEDONG THOUGHT

OW120432 Beijing Domestic Service in Mandarin 1200 GMT 11 Aug 82

[Station commentary: "Study Mao Zedong Thought, Lay a Firm Theoretical Foundation"]

[Text] Recently the PLA Second Artillery held a meeting to exchange experience in studying Mao Zedong's works, which was attended by leading cadres at various levels and some advanced units and individuals. The meeting was very successful and will give a strong impetus to the second artillery's building in revolutionization, modernization and regularization.

The "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC," which was adopted by the 6th Plenary Session of the 11th CPC Central Committee in June 1981, has pointed out the direction for studying Mao Zedong's works in the new historical period. Guided by the spirit of the resolution, advanced units and individuals in studying Mao Zedong's works have emerged among PLA units under the second artillery in the past year. The experience accumulated by the second artillery in studying Mao Zedong's works can mainly be characterized in the following two points:

First, it is stressed that the basic aim in studying Mao Zedong's works is to lay a firm theoretical foundation of Marxism-Leninism-Mao Zedong Thought, and form and apply a proletarian world outlook and methodology in order to raise one's political awareness and cognitive ability. With this aim in mind, units of the second artillery have combined the study of Mao Zedong's works with the study of party history, modern Chinese history and the history of social development, the works of Zhou Enlai, Liu Shaoqi, Zhu De, Deng Xiaoping, Chen Yun and others of the older generation of revolutionaries, and the works of Marx and Lenin. The study had enabled cadres and fighters to more comprehensively and correctly understand the formation and development of Mao Zedong Thought, knowing that it is a crystallization of the collective wisdom of the party and plays a great role in the history of the Chinese revolution.

Second, it is necessary to emphasize practical results in organizing and leading the study of Mao Zedong's works. In examining the results of study, it is necessary to pay attention to the ability to apply the stand, viewpoint and method of Mao Zedong Thought in understanding things and handling problems, while refraining from overemphasizing the volume of books one has read and notes one has taken.

In the course of studying Mao Zedong's works, units of the second artillery, in accordance with the content of the study, sponsored study classes, gave special lectures or required cadres and fighters to read memoirs of the revolution in order to help them enhance their perceptual knowledge. The second artillery has indeed achieved remarkable success in studying Mao Zedong's works in the past year. For example, in conducting the education concerning one's ideals, many units studied Comrade Mao Zedong's "To Serve the People," "In Memory of Norman Bethune" and other articles in order to help cadres and fighters understand that to realize one's ideal, it is necessary to do one's own job well, thereby enhancing their sense of responsibility to safeguard the motherland and the building of the four modernizations. Many cadres and fighters said with a profound understanding: Mao Zedong Thought is the truth which has enabled us to foster a lofty communist ideal and raise our consciousness in transforming a subjective world into an objective one.

RENMIN RIBAO ON ATTITUDE TOWARD INTELLECTUALS

HK120933 Beijing RENMIN RIBAO in Chinese 9 Aug 82 p 5

[Article by Song Hongxun [1345 3163 6064]: "Do Not Encourage Ignorance"]

[Text] A dictum of Cicero, a debater of ancient Rome, says: "Ignorance is a night of wisdom, a night with neither moon nor stars." Everybody presumably agrees with the truth of this dictum. But it is unlikely that everybody really understands the harm of ignorance or correctly understands the importance of knowledge.

Recently I read "Selected Works of Stalin." In his summing-up report to the 8th Congress of the Soviet Communist Party [CPSU] (Bolshevik) in 1939, Stalin made an explicit explanation and humorous satire about the prejudice that despises knowledge and looks down upon intellectuals. He said: "There are people in our party who are trying to treat the new Soviet intellectuals that are basically socialist intellectuals with the old theory that was used in opposing bourgeois intellectuals. It was found that these people arbitrarily held that the workers and peasants who were working in factories and collective farms under the method of Stakhanov not long ago are no longer real men since they are sent to higher institutions for education and held that they have consequently become second-grade people. According to this view, to receive education is a harmful and dangerous thing. (sound of laughter) We want to change all workers and peasants into people with culture and knowledge and we are sure to reach this goal in the future. But according to the view of these strange comrades, such planning of ours is highly dangerous because when all the workers and peasants are changed into cultured and educated people, they may be in danger of being listed as second-grade people. (loud laughter from the whole audience) These strange comrades may become even more backward so as to praise what is backward, ignorant and benighted. ("Selected Works of Stalin," vol 2, pp 473-474)

These words of Stalin set people thinking and drew laughter from the audience. But we can in no way regard these words as a joke. In fact they represented a hard fact in the Soviet Union during the 1930's.

Following the October Revolution, what Soviet Russia inherited from the old era was a poor country with backward technology. This country was later subject to damage caused by civil war that lasted for 3 years. The cultural level of the Soviet people at that time was not high while their science and technology was indeed backward. Following the rehabilitation period that lasted for 7 to 8 years, the country began its First 5-Year Plan in 1928. The most difficult problem the country faced in carrying out socialist construction at that time was the lack of technology and technicians. It was strange enough that while the cultural and scientific level was backward and technicians were scarce, the prejudice and opinion of despising culture, science and intellectuals was so deep-rooted. In order to accord with the need of vigorously developing construction and change the serious situation of backward science and technology, the Soviet Union began to take a series of measures to train technicians in the First 5-Year Plan. The most important measure was sending part of the leading cadres to study specialized knowledge in universities. And for this purpose, the Soviet Supreme Economic Commission set up universities and training course. Ordinary universities also set up cadres' classes to train cadres and experienced workers and peasants so that they would become professional "industrialist leaders" with specialized knowledge. Stalin also stressed on many occasions that "the proletariat and socialism need people with very high education. It is apparent that idiots are not able to win socialism for the proletariat and build a new society." (ibid, p 364) It can be said that it is a wise and significant measure to train cadres and experienced workers and peasants with professional knowledge in universities. But in actual life, why are there "strange phenomena" as described by Stalin above.

Meticulous analyses show that there are at least two reasons. On the one hand, there are still some people in society and particularly within the party who stubbornly harbor prejudice against intellectuals. According to their view, intellectuals constitute a "dissident and antagonistic force" against the working class and peasants. By instinct, these people exclude intellectuals and regard them as "inferior to others." Therefore when workers and peasants graduate from universities, they are listed as "second-grade people" and instead of being regarded highly, they are despised. This is just one side of the story. On the other hand, there are still a number of shortcomings in the related policies and rules and regulations and instead of encouraging people to grasp more knowledge and make progress, these policies and regulations have consequently encouraged people to be satisfied with being ignorant and lagging behind.

And these phenomena did exist in the Soviet Union at that time. For example, the salaries of the workers and peasants following their graduation from universities were decreased and they found it more difficult to join the Communist Party and even after they had joined the party, they still had to undergo a probation period of 2 years. It turned out that the CPSU stipulated in the 1930's that the procedures for enrollment into the party were split into four categories according to the social status of the enrolled. The first category referred to manufacturing workers with more than 5 years of employment. The second category referred to ordinary workers, agricultural workers, soldiers and technicians with more than 5 years of employment. The third category referred to farm members, handicraft workers and primary school teachers while the fourth category referred to other staff. The probation period for the first category was 1 year while that for the second, third and fourth categories was 2 years. Consequently, when a worker with 5 years of employment experience graduated from a university, he was automatically listed as a "second-grade person" when he applied to join the party and his probation period eventually was extended to 2 years. Such irrational regulations were not changed until the 18th congress passed a new party constitution. In addition, in the last 5 years of the 1930's, most Soviet enterprises introduced a wage system that was based on piece work and the system of accumulated awards. Consequently it often happened that the fixed wages and awards of a hardworking worker were higher than the salary of an intellectual university graduate. Therefore, those who were paying more attention to "benefit" would consider it unnecessary for them to experience the hard life of a student for 3 to 5 years.

It is apparent that the irrationality of such policies and rules and regulations not only fails to encourage workers and peasants to strive for more knowledge but also makes people satisfied with the situation of lacking knowledge. The state allocates enormous funds for education every year and yet this measure results in a "dangerous thing" that is not welcome by the people. These "strange phenomena" cannot be merely explained from the point of prejudice. If we do not change the irrational factors in the policies and rules and regulations, we cannot ever eradicate this prejudice.

Under the leadership of Stalin, the CPSU took a series of measures to get rid of this prejudice and change such an abnormal situation. In 1931 Stalin put forth a slogan of "technology deciding everything during the period of transformation" while in a conference of economic workers he advocated to "eradicate egalitarianism and break away from the classification of wages." He demanded that the wages of skilled workers be increased so as to "open up prospects for skilled workers and incite them to make progress" and to become skilled workers. In 1935 he pointed out that since people had learned to pay attention to technology, therefore the most important thing at that time was the talents that were able to master technology. Consequently he put forth a slogan of "Cadres deciding everything." Though these two slogans had shortcomings, they displayed good roles at that time. During wage transformation in 1931-1933, the wages of mental workers and skilled workers were readjusted so as to properly expand the difference in the wages between technicians who were posted to leading positions. In 1934 the Soviet People's Committee announced a resolution on "academic degrees and academic titles." According to this resolution, those with academic degrees and titles were not only in a position to have fixed salaries but also to receive enormous subsidies. The profession wage system was later gradually introduced among the professors and teachers in universities as a move to encourage them to display their advantages and to shoulder the heavy responsibility in leading education and scientific research. In 1936 Stalin announced in his report on the draft of the Soviet Constitution that Soviet intellectuals had become new laboring intellectuals who were closely related with the working class and peasants. In his speech to the 18th CPSU Congress in 1939, Stalin put the question of intellectuals on the agenda as a "theoretical question of important and realistic significance" and criticized that in theoretical and propaganda work there existed "some vague understanding and stupid concepts...."

What Stalin advocated in this respect and the changes made in the related policies and rules and regulations inspired the initiative of intellectuals in serving the people and socialist construction. The broad masses of intellectuals later made due contributions both in construction and in the war in defense of their country.

History is a mirror. It is really significant for realizing the modernization program to review this historical period of the Soviet Union under the leadership of Stalin.

Since the convening of the 3d Plenary Session of the 11th CPC Central Committee we have restored order theoretically and carried out realistic policies and consequently prosperity has emerged in our socialist construction. People have come to understand more clearly the important role of science and technology in the modernization program and the due position of intellectuals -- the possessors of science and technology -- in socialist society. The barbaric logic of "the more intellectual, the more reactionary" that was peddled by Lin Biao and the "gang of four" has been swept onto the garbage heap of history while intellectuals have been freed from the label of "stinking ninth category." It is known to all that it has become an unswerving policy of the party to pay attention to science and technology and to respect intellectuals. But we can in no way say that the prejudice of despising culture and science and looking down upon intellectuals has been completely eliminated. The irrationality of the related policies, rules and regulations is yet to be gradually resolved. We must take heed of Stalin's advice when he said that people must not "degenerate into a position of praising the backward, ignorant and benighted."

In short, we must create a social atmosphere of respecting knowledge and intellectuals and through various policies, rules and regulations, we must encourage people to make progress and acquire knowledge.

QIAN XINZHONG ADDRESSES FAMILY PLANNING MEETING

OW111045 Beijing XINHUA Domestic Service in Chinese 1527 GMT 10 Aug 82

[Excerpts] Beijing, 10 Aug (XINHUA) -- At the national conference on family planning which opened today, Qian Xinzong, minister in charge of the State Family Planning Commission, stressed that family planning is an important matter having a bearing on the success and failure of China's modernization drive and on the long-term interests of future generations of the Chinese nation. What needs to be done now is to strengthen leadership to raise family planning work in China to a new level.

After analyzing the situation in family planning work over the past 7 months, Qian Xinzong said that marked achievements have been scored in this work as a result of implementation of the directive of the party Central Committee and the State Council concerning family planning by party committees and governments at all levels. The trend of further population growth has been brought under control.

Is it possible to control China's population growth so that it will not exceed 1.2 billion by the year 2000? Qian Xinzong said that judging from practice and implementation of the directive of the central authorities in the past few years and from the experience of many advanced areas in this field of work, he believed that the objective can be realized provided the directive of the central authorities is fully implemented and related measures are taken.

Discussing the question of further carrying out the population policy of the party and the state in order to ensure that the population grows in a planned and proportionate way, Qian Xinzong noted that the most important thing to be done now is to firmly carry out the family planning work for the Sixth 5-Year Plan and to continually enhance the consciousness of cadres and the masses as regards family planning. Therefore, it is necessary to firmly carry out the following tasks:

1. Strengthen education and propaganda on family planning. Once this work is done well among China's 800 million peasants, the strategic objective of controlling population growth is firmly guaranteed. In the next few years, knowledge of contraception, physiology and hygiene, child care and education, as well as basic knowledge of population theory, should be gradually popularized among the people.
2. Fully and correctly implement the party's policy on family planning. It is necessary to mobilize the people and adopt various measures to resolutely and strictly control population growth. Late marriage and late birth should be vigorously advocated. Efforts should be made to give birth to better but fewer children so as to raise the quality of the population. One-child families should be universally advocated to raise the ratio of first born.
3. Further improve the various forms of family planning systems in accordance with the peasant's demands and with production needs.
4. Conduct thorough investigation and give systematic guidance to family planning work in the various areas in light of local conditions.
5. Strengthen scientific research on family planning and do a good job in the production and supply of contraceptives.
6. Strengthen guidance on birth control techniques and improve the quality of surgical operations.
7. Strengthen and improve family planning organizations at all levels.

In conclusion, Qian Xinzong stressed that strengthening and improving party leadership is the key to doing family planning work well.

JIANGXI CIRCULAR URGES STUDYING CPC COMMUNIQUE

OW111005 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 10 Aug 82

[Excerpts] The Jiangxi Provincial CPC Committee on 10 August issued a circular on studying, publicizing and implementing the commune of the 7th plenary session of the 11th party Central Committee. The circular calls on Communist Party members, cadres and the masses throughout the province to work hard on their posts, do a good job in production and greet the victorious convocation of the 12th CPC National Congress with new achievements in promoting material and cultural development.

The circular says: The commune of the 7th plenary session of the 11th party Central Committee has been published. This is a major event in the political life of the whole party and the people in the whole country. The following points should be stressed in studying, publicizing and implementing the guidelines of the commune:

1. The party committees at various levels should conscientiously organize party members and the masses to study in depth the commune, the letters paying tribute to Comrades Liu Bochong and Cai Chang from the plenary session and the RENMIN RIBAO editorial, making organization of the study an important task in August.
2. The commune should be studied and publicized in the light of the actual situation. By reviewing the new political and economic situation that has emerged in our country and the great achievements that have been made in all fields in the past 4 or 5 years, the party members and masses will gain a deeper understanding of the party's line, principles and policies since the party's 11th national congress and especially since the 3d plenary session of the 11th party Central Committee and thus enhance their consciousness in implementing the party's line, principles and policies.
3. The commune should be studied and publicized in conjunction with current work and production tasks.

On the afternoon of 9 August, the standing committee of the provincial party committee held a meeting. Those present conscientiously studied and discussed the commune and the RENMIN RIBAO editorial "Greet the Convocation of the 12th CPC National Congress With Concrete Actions" and called on party organizations at various levels, all Communist Party members, CYL members and the broad masses in the province to bring about a new upsurge in enhancing material and socialist cultural development in light of local conditions, to make outstanding achievements on all fronts and to greet the convocation of the 12th CPC National Congress with concrete actions.

SHANDONG COMMENTARY URGES MOUNTAIN AFFORESTATION

SK021002 Jinan Shandong Provincial Service in Mandarin 2300 GMT 1 Aug 82

[Station commentary: "Grasp Well Key Problems and Define Work Orientation in Developing Mountainous Areas"]

[Text] An important task in developing mountainous areas is to do a good job in defining construction guidelines. In defining construction guidelines in mountainous areas, it is imperative to discover where key problems exist and accurately deal with them. Practice has proved that key problems in developing mountainous areas are lack of sufficient efforts in carrying out afforestation and maintaining an ecological balance. By ferreting out key problems and dealing with them accurately, we will get twice the results with half the effort in developing mountainous areas.

Over the past few years, mountainous areas in the province, including Wulian County and other localities, have scored fairly good achievements in enacting the all-round principle of taking forestry undertakings as a main task, integrating forestry undertakings with agricultural and livestock production and developing a diversified economy by always bearing in mind their actual situation.

On the other hand, a large number of localities and units have caused mountain resource damage and serious soil erosion, resulting in a vicious cycle, because they have turned a blind eye to afforestation and one-sidedly engaged in grain production for a long time. According to investigation data compiled by the department concerned, mountainous areas in the province cause about 69 million cubic meters of soil erosion each year, resulting in great losses of nitrogen, phosphate and potassium fertilizer along with the washed-away soil. Over 170 large and medium-sized reservoirs throughout the province are reduced in capacity by over 60 million cubic meters of water each year due to the silt caused by soil erosion. This means that our province can lose 1.4 medium-sized reservoirs each year. Such a serious lesson ought indeed to be heeded by us.

As a matter of fact, we were narrow and superficial in understanding forestry and livestock undertakings in the past. We often pay one-sided attention to the direct economic results of timber, firewood and fruit supplies in planting trees and lack of full understanding and evaluation of the indirect economic results of forestry construction, such as conserving water sources, solidifying soil, sheltering from wind and sandstorm, regulating climate and purifying the air. According to investigation data concerned, the indirect economic results of forests is nine-fold higher than their direct economic results.

Therefore, we must be fully of the importance of forestry undertakings and the pressing need for afforestation and grasp well key problems in developing mountainous areas. Proceeding from their reality, localities across the province should do a good job in drawing up work plans suitable to their local conditions in this regard and carry out the construction of mountainous areas in a down-to-earth manner.

SHANGHAI LEADERS ATTEND ARMY DAY PERFORMANCE

OW102033 Shanghai JIEFANG RIBAO in Chinese 4 Aug 82 p 1

[Text] To celebrate the 55th founding anniversary of the PLA, the Shanghai Municipal People's Government presented the classical dance drama "Yue Fei" performed by the Shanghai song and dance ensemble at the municipal government auditorium on 1, 2 and 3 August. Leading comrades of PLA units stationed in Shanghai Wang Jingkun, Zhang Chen, Chen Xuejiang, Su Rong, Fu Deming, Ren Siyi, Xiang Jin, Xu Gaoqun, Ran Hong, Xue Wenyu, Chen Guang and Liu Shuming attended the performance, together with representatives of commanders and fighters, army and martyrs' dependents, veteran Red Army soldiers, revolutionary disabled armymen and representatives of demobilized armymen, totaling some 5,000. Municipal party and government leaders Wang Daohan, Zhong Min, Yang Shifa, Zhao Zukang, Wang Jian, Chen Zonglie, Yang Kai and responsible persons from departments concerned also attended the performance.

WEN HUI BAO WARNS AGAINST 'BOURGEOIS IDEAS'

OW111001 Shanghai WEN HUI BAO in Chinese 6 Aug 82 p 1

[Commentator's article: "Be on the Alert Against Spiritual Sugar-Coated Bullets"]

[Excerpts] Resisting and opposing corruption by bourgeois ideas and culture is a question which merits our serious attention in promoting socialist spiritual civilization.

Bourgeois "sugar-coated bullets" are of two categories: One category is material. They aim to involve people in evil-doing by using money as bait and getting them to engage in such illegal acts as embezzlement and bribery, smuggling and selling of smuggled goods. The other is spiritual; by using decadent bourgeois ideas, concepts and ways of life and publicizing bourgeois culture and art, they aim to spread spiritual poison and corrupt people's souls.

The latter category of spiritual "sugar-coated bullets," though seemingly invisible, play an evil role of imperceptibly and penetratingly polluting people's minds; more often than not they escape people's attention.

As the party Central Committee has pointed out, in the process of achieving a high level of material civilization, we should also achieve a high level of spiritual civilization. We should also educate the people and make incessant efforts to consolidate and expand our socialist ideological and cultural front so that the broad masses of people, particularly young people, will have ideals, observe moral codes, have culture and be well disciplined. The task of promoting spiritual civilization includes not only the elevation of the scientific and cultural levels of the whole nation, promotion of lofty morals and development of sound, rich and colorful cultural activities, but also the eradication of the influence of ideas of the bourgeoisie and other exploiting classes, development of a persistent anticorruption struggle, and building of a spiritual pillar to uphold the four basic principles and an impregnable wall against corruption by capitalist ideas.

It should be soberly noted that after the establishment of the socialist system in our country, the ideological influence of the bourgeois and other exploiting classes, inherited from the old society and introduced from abroad, will remain for a long time and will spread and grow under certain circumstances. This is the basic reason why we need a protracted anticorruption struggle. Due to the long period of peaceful life and the 10-year sabotage by the Lin Biao and Jiang Qing counterrevolutionary clique, some of our comrades have slackened their alertness against "sugar-coated bullets." In their view, the decadent bourgeois ideas are not disgusting, but pleasing. They have thus lowered their mental guard against such things. In view of the current situation at home and abroad, the party Central Committee is carrying out a policy of opening to the world and enlivening the domestic economy. Practice has proved that this policy is fruitful and absolutely correct. Under the new historical conditions, however, some of our comrades do not realize that with the implementation of the open-door economic policy, we will inevitably expose ourselves to bourgeois ideas and the bourgeois way of life. They do not understand that our development of foreign trade and acquisition of advanced technology and management experience from abroad are aimed at promoting the four modernizations in our country, and that in no way should bourgeois liberalization be allowed, whether in our ideology or in our way of life. If we relax our alertness and let capitalist ideology spread unchecked, or if we fail to see the arduous and protracted nature of the struggle between the corruption by capitalist ideology and the socialist ideology, which is opposed to corruption, we are bound to mentally disarm ourselves, thereby adversely affecting the great cause of the four modernizations.

The superiority of our socialist system lies in the fact that it can motivate the development of social productive forces and ensure the continuous improvement of the people's mental outlook and ideology. On the other hand, however, the people's mental outlook under the socialist system can also affect the development of productive forces and the consolidation and development of the socialist political and economic system. If a man lacks firm faith and is in low spirits, how can he be enthusiastic about the four modernizations and have confidence in working hard for communism? How can he have national self-confidence and the vigor to make constant improvement? A person indulging in a comfortable life and hit by spiritual "sugar-coated bullets" is bound to forget justice, spurred by self-interest. He will give up principle, discard party spirit and forfeit national pride and his own dignity and even embark on the road of deterioration and degeneration. Is this not an ironclad fact?

In the current struggle aimed at striking at criminal activities in the economic sphere, it is absolutely necessary to earnestly grasp the anticorruption struggle in the ideological and cultural fields. If we grasp this struggle persistently and tirelessly, continue to strengthen ideological and political work and educate our cadres and masses to become moral and disciplined people with ideals and culture, we will certainly be able to resist corruption, persistently refrain from being contaminated and make still greater contributions to promoting socialist material and spiritual civilization.

SHANGHAI INVESTMENT COMPANY EXPANDS BUSINESS

OW090957 Beijing XINHUA in English 0759 GMT 9 Aug 82

[Text] Shanghai, August 9 (XINHUA) -- The Shanghai Investment and Trust Corporation has signed agreements with 45 banks, security corporations and firms since its founding last year, according to Xu Pengfei, vice-president and general manager of the corporation. He was addressing the second meeting of the board of directors held here yesterday.

Together with Shanghai's industrial departments, the corporation had conducted negotiations with foreign and overseas firms for various forms of cooperation on 115 items, he said. Agreements had been reached on a number of them, including an essence company and a pharmaceutical company to be financed by the corporation and American businessmen.

The corporation has negotiated with more than 20 firms in foreign countries and Hong Kong for construction projects including hotels, office buildings, apartment complexes and meeting centers.

Agreements for two projects -- Shanghai Lianyi mansion and the Yandang apartment -- were signed between the corporation and Hong Kong businessmen. Shanghai Lianyi mansion will cover 28,000 square meters and serve as an office building for Shanghai-based agencies and representatives of overseas firms. Construction of the two projects will be undertaken within the year.

So far, the corporation has established business relations with Hong Kong, the United States, Britain, France, the Federal Republic of Germany, Japan, Canada, Australia, Italy, Brazil, the Philippines and Singapore. The corporation has also established relations with more than 30 overseas institutions for cooperation in consultant matters.

In the future, the vice-president said, the corporation would lay stress on the technical transformation of the city's industry and on municipal construction. It planned more joint venture and co-management projects and would develop leasing.

A number of foreign banks, financial groups, industrial and commercial enterprises and consulting services will be invited to Shanghai to take part in the celebration of the first anniversary of the founding of the corporation to be held soon. The corporation will announce some investment projects and arrange talks for them with the departments concerned in Shanghai.

TEXT OF TAN QILONG ARTICLE ON THEORY, PRACTICE

HK061017 Chengdu SICHUAN RIBAO in Chinese 29 Jul 82 p 1

[Reprint of article by Tan Qilong in inaugural issue of XUEXI magazine: "Be Diligent in Study, Skilled in Summation, and Bold in Pioneering"]

[Text] The socialist modernization drive in our country is developing prosperously. Many new conditions and problems are continually arising on all fronts. In order to promptly study and solve these problems and speed up modernization, an important task facing the cadres, especially the leading cadres, throughout the province is to be diligent in study, skilled in summation and bold in pioneering.

Today, with the focus of work shifted to socialist modernization, changing the situation of insufficient knowledge among the cadres and helping them acquire an elementary education and special knowledge of various branches and study the science of socialist management should be put in a particularly important position. If our cadres do not vigorously raise their cultural level, acquire more professional knowledge and improve their skills of scientific management, they cannot meet the demands of modernization and will encounter great hardships in internal and external work. In the future, all cadres must make strenuous efforts to acquire an elementary education, learn science and technology and business management through rotational training by being released from work or through in-service training and private study during spare time. They should specify the subjects and requirements of their studies in the light of the actual needs and levels of their departments and posts, so that they may advance step by step in the direction of becoming specialists or intellectuals. While acquiring an elementary education and special knowledge and studying the science of management, they must study Marxism-Leninism-Mao Zedong Thought, which is a compulsory subject for all cadres. Some people hold that after the focus of work has been shifted, there are a lot of things for them to study and they cannot spare time to study Marxism-Leninism. Others who lack a firm belief in Marxism-Leninism after the 10 years' internal disorder hold that there is a wide gap between the theories and the actual realities, so that the actual problems of various sorts cannot be solved. These viewpoints neglect or belittle theoretical study. They are wrong. Marxism-Leninism-Mao Zedong Thought is the ideology guiding our party and is also the foundation of our country. In the past few decades, we have won victories in revolution and construction precisely by integrating Marxism-Leninism with China's realities. The achievements in all fields since the 3d Plenary Session of the 11th CPC Central Committee have shown once again the tremendous role played by the correct theories in remolding the realities. If the cadres at all levels do not seriously study theories and have forgotten the heirloom of Marxism-Leninism-Mao Zedong Thought when they acquire an elementary education and special knowledge and study the science of management, then the revolutionization of the ranks of cadres will come to nothing and there can be no guarantee that the four modernizations will advance along the socialist path, and they may even go astray. The series of principles and policies issued by the CPC Central Committee since the 3d Plenary Session of the 11th CPC Central Committee took Marxism-Leninism-Mao Zedong Thought as the guide and were formulated on the basis of extensive and profound investigation and study. The new conditions and problems arising in daily life can be solved very well by applying Marxism-Leninism-Mao Zedong Thought. Why is it that some of our comrades are confused and waver when they come across complicated conditions or hear opinions of different kinds in the course of carrying out the party's policies? Why is it that some comrades can find no way out and feel quite helpless or engage in an endless debate, each sticking to his own argument, when they face some new conditions and problems? In the final analysis, they have not armed their minds with the basic Marxist-Leninist theories, do not understand deeply the spiritual essence of the party's principles and policies and do not firmly uphold the principles of the theories.

If the cadres in general can increase their understanding of Marxism, the blindness, one-sidedness and unsteadiness in their work will be minimized. At the same time, Marxism-Leninism-Mao Zedong Thought is also a powerful weapon for us in transforming our world outlook and strengthening our ideological and moral education. If we do not study Marxism-Leninism or if we just pay lip service to Marxism-Leninism, our minds will have no room for the communist ideal, belief and ethics, but will be imbued more and more with individualism. Then, we will not be able to resist the attack by bourgeois liberalization ideas and sugar-coated bullets and may even take the path of violating law and discipline. Examples of this kind are numerous in daily life. Hence we can see that during the new historical period, while acquiring an elementary education and endeavoring to gain professional proficiency, our cadres, especially the leading party and government cadres, must diligently and systematically study the basic theories of Marxism on philosophy, political economy and scientific socialism, as well as modern Chinese history, the works by proletarian revolutionaries of the older generation, and the important documents of the CPC Central Committee. Through study, the cadres will have better political qualities, be capable of adhering to the socialist orientation in complicated environments, preserve the purity of communism, consciously and effectively implement the party's line, principles and policies and increase their abilities to analyze new conditions and solve new problems. The way in which the cadres carry out study and rotational training is a strategic question concerning the prospects of the four modernizations.

The purpose of organizing the cadres to systematically study the theories is, in the final analysis, to solve our actual problems by centering on socialist modernization. Therefore, our study should not remain at the stage of studying phrases in books, but must be integrated with investigation of conditions and summing up of experience. That is to say, on the basis of seriously reading books, we should apply the Marxist stand, viewpoint and method in deeply investigating and studying the actual conditions and systematically summing up positive and negative historical experiences, and thus find out the basic characteristics and laws for the work of our province, locality and department as a guide for future action. This is the best method for raising the cadres' ideological and theoretical levels and also the basic link for making a breakthrough in the work in all fields. At present, there are numerous problems which need to be investigated and summed up by leaders at all levels. The main point is how to proceed from the situation of Sichuan and find a way of promoting economic and cultural development relatively quickly and with relatively ideal results. Specifically, in agriculture there are, for example, the questions of how to bring about further readjustment and make the production structure more rational; how to use and exploit the resources of the mountainous and hilly areas, so that the peasants can become rich relatively quickly; and how to improve the agricultural production responsibility systems. In industry there are the questions of how to simultaneously develop light and heavy industry, with the one stimulating the other, and how to bring Sichuan's superior features into play. In finance and trade work, there is the question of how to base our work on developing production and guaranteeing supplies and how to enliven the economy. There are also the questions of how to step up ideological and political work and party building in the new historical period and how to carry out reforms of the administrative structure and economic system, and so forth. We must work hard to investigate and sum up these questions and explore and pioneer new ways. In making investigations and summing up experience, we must seriously adopt the scientific attitude of seeking truth from facts. We must proceed from the objective realities, obtain a great deal of information, make analysis by applying the Marxist stand, viewpoint and method, and raise perceptual knowledge to the level of rational knowledge, so as to draw a practical, guiding conclusion. We must not stick to stereotypes and exclusively collect information suiting our subjective wishes and likes. We also must not remain content with the method of just enumerating the phenomena and confining the discussion to the matter at hand.

It is hoped that the principal responsible comrades of the party committees at all levels will bear in mind the motto "use 90 percent of the time to investigate the conditions, use less than 10 percent of the time to decide the policy." They must come out of their narrow circle of routinism, go deep into realities and among the masses and strive to gain a clear understanding of the basic characteristics and laws of the work in their localities and departments in 2 or 3 years, so as to formulate a series of viewpoints and methods which are compatible with the conditions of their localities and departments. Once this goal has been achieved, the work in various fields will be greatly improved.

The purpose of studying theories and summing up experience is to pioneer new ways. Whether the results of studying theories and summing up experience are good or poor depends on whether you can correctly solve the new problems and make a breakthrough in your work. The leading comrades of the central authorities have said many times that the question of making a breakthrough is involved in each turning point in history. In order to build China into a powerful modern socialist country with highly developed democracy and civilization, a large group of socialist men of action with courage and insight and great ability are needed all the more to make a breakthrough in various fields of work. Since the 3d Plenary Session of the 11th CPC Central Committee, our party has gradually charted the correct road of socialist modernization suited to the conditions in our country. This road still needs to be continuously broadened in practice, and a great number of problems still remain to be tackled. As mentioned in the "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC": "There is no rigid pattern for the development of the socialist relations of production. At every stage our task is to create those specific forms of the relations of production that correspond to the needs of the growing productive forces and facilitate their continued advance." To accomplish this task, we should neither mechanically copy the conclusions from books and the foreign methods nor cling to our stereotypes and old methods. We must be determined to carry out reforms despite hardships and have the courage to explore and pioneer new ways. In the past few years, Sichuan made headway in its work in various fields. But the speed of development and the economic results have not been very satisfactory. An important reason was that we had not emancipated our minds sufficiently, were accustomed to working according to conventions and lacked the strategic vision and boldness in making a breakthrough. In the future, we must follow the correct principles adopted since the 3d Plenary Session of the 11th CPC Central Committee, further emancipate our minds, get our minds into gear, seek truth from facts, consider problems by discarding stereotypes, forge a new path by overcoming difficulties, and sum up and popularize the practical experience of the masses, so that we can make a breakthrough in the development of material and spiritual civilization in Sichuan.

The study, summation and pioneering mentioned above mean a three-in-one task. Generally speaking, we are required to vigorously encourage the practice of study. Marxist theory must be studied first from books, second by making investigations and summing up the experience of the masses and third by participating in the practice of transforming reality. Only by closely combining these three methods of study can we carry out study really well. Lenin said: "In order to renovate our state apparatus we must at all costs set out, first, to learn, second, to learn, and third, to learn, and then see to it that learning does not remain a dead letter, or a fashionable catch-phrase, that learning really becomes part of our very being, and that it actually and fully becomes a constituent element of our social life." ("Collected Works of Lenin," vol 33, pp 442-443) Let us show our diligence and perseverance in continuous study so that we can shoulder more competently the heavy task assigned to us by the new period of historical development!

BEIJING HOLDS MEETING ON IMPROVING SOCIAL ORDER

HK111204 Beijing BEIJING RIBAO in Chinese 6 Aug 82 p 1

[Report: "Municipal CPC Committee Holds Political-Legal Work Conference"]

[Text] The Beijing Municipal CPC Committee held a second political and legal work conference 2-5 August. The conference pointed out: The main tasks now facing the municipality are to continue to deal powerful and crushing blows at active criminals according to law in order to maintain good social order in the capital, to impose severe punishments on criminals who seriously damage the economy and to educate cadres and workers of the whole municipality in combating corruption and maintaining security and secrecy. The conference called on CPC committees, governments and political and legal departments at all levels of the municipality as well as all police cadres to earnestly study and implement the spirit of the national political and legal work conference, to strive for a fundamental turn for the better in social atmosphere and social order of the capital and further promote the building of socialist spiritual and material civilizations.

Comrade Ye Zilong, standing committee member of the municipal CPC committee and deputy secretary of the municipal political and legal committee, presided over the conference. Comrade Zhao Pengfei, secretary of the municipal CPC committee, conveyed to the conference the speech by Comrade Peng Zhen at the national political and legal work conference and the essential spirit of the conference. He also made a summation at the closing ceremony of the municipal conference. Comrade Jiao Ruoyu, second secretary of the municipal CPC committee and mayor, attended and addressed the conference.

In his speech, Zhao Pengfei said: Since last year, the municipal CPC committee has seriously implemented the four instructions of the CPC Central Secretariat concerning the main guidelines for building the capital. Meanwhile, the municipal CPC committee and all its subcommittees have strengthened their leadership over political and legal work, waged a struggle against serious criminal activities in the economic field and ferreted out and dealt with a certain number of economic criminal cases. In maintaining social order, they have struck heavily at and quickly handled a certain number of criminals who seriously impaired social order and have dealt blows at illegal organizations and illegal periodicals because of their destructive activities. The municipal CPC committee and all its subcommittees also have vigorously promoted the building of the two civilizations and extensively carried out the activities of the "five stresses and four beauties" and the civility and courtesy month drive. Education in anticorruption was carried out in the whole municipality in linking up with the action of striking at serious crimes in the economic field. Under the leadership and with the concern of the CPC Central Committee, achievements have been made in all fields of work. As a result, the incidence of crime has dropped and the efficiency in cracking criminal cases has improved in the city. Social order in the capital is gradually improving.

Zhao Pengfei pointed out: The recently held national conference on political and legal work was very important. The meeting clearly defined the position, role, function and main tasks of political and legal work in the new period and drew up an overall and strategic plan for the major tasks of political and legal work. Beijing Municipality must resolutely apply them in its actual work.

He said: The fundamental tasks of political and legal work in the new period are, under the guidance of the four basic principles, to serve the socialist modernization drive and the country's economic base. To this end, the tasks for political and legal work have in no way become lighter, but heavier. The functions of political and legal departments should not be reduced, but strengthened. The CPC committees at all levels of the city should strengthen their leadership over political and legal work. Political and legal departments at all levels and all police cadres should, under the leadership of the party, make new and greater contributions in striving for a fundamental turn for the better in social order and social atmosphere and promoting the building of socialist spiritual and material civilization in the capital.

Speaking of the tasks facing the city, Zhao Pengfei pointed out: Dealing blows at serious economic criminals is a fierce, complicated, long-range and arduous struggle and a fundamental task for all political and legal departments. Leaders of CPC committees at all levels must participate in combing out and handling major and important cases. Political and legal departments must on their own initiative coordinate closely with departments for inspecting discipline. When crimes are ascertained through investigation, it is necessary to grasp major and important cases by resolutely implementing the principle of prompt handling with severe punishment. It is necessary to deal heavy and swift blows at those who commit serious crimes such as murder, arson, rape, robbery, blasting and poisoning. First and foremost, efforts should be concentrated on detecting and unearthing important cases. Public security offices must continue the work of confiscating lethal weapons. Not only should punishment be imposed on those who make tools or weapons for criminal purposes and carry them, but responsibility also should be investigated and affixed for their parents or leaders of the units where they are working because of indulgence or ignorance of their behavior.

Zhao Pengfei continued: Consolidating social order is a matter not only for political and legal departments, but for the whole party. It must be done in a comprehensive way, because this is the most effective measure for permanently maintaining public order well. In this connection, emphasis should be laid on strengthening education among the young. Stress must be laid on strengthening organizations and work at the grassroots level. The key to this issue is to set up the responsibility system of maintaining public security and the system of personal responsibility in every unit. Responsibility must be affixed on each department, each unit and each individual. This work must be closely linked with the system of responsibility for each section of a production line and with the system of investigation, reward or punishment for cadres, workers and staff. From now on, if a problem concerning public security occurs in one unit, or if cadres, workers or staff of one unit breach the law, responsibility must be duly investigated and affixed for leaders of the unit and those who are responsible for public security. Great efforts should be exerted in mediating entanglements or disputes at the grassroots level in order to prevent the contradictions among the people from becoming acute and being transformed into antagonistic contradictions, resulting in grave consequences for society.

Zhao Pengfei concluded: From now on, it is necessary to put forth efforts in developing and publicizing the legal system, reinforce the ranks of political and legal workers ideologically and organizationally, and give more effective leadership to political and legal work in order to strive for a fundamental improvement in the social order of the capital within 3-5 years.

During the conference, Comrade An Lin, standing committee member of the municipal CPC committee and secretary of the municipal political and legal committee, gave an account of the present state of affairs in the capital's public order and made concrete arrangements for maintaining public order and security.

TIANJIN RIBAO DISCUSSES SERIOUS ECONOMIC CRIME

SK060855 Tianjin City Service in Mandarin 0030 GMT 6 Aug 82

[Text] Reporting a serious case of economic crime involving cadres in charge of importing goods taking bribes from Hong Kong businessmen, TIANJIN RIBAO prints a commentator's article entitled "Shocking, Thought-Provoking." The article states: This case shows that economic crimes exist in our city to a fairly serious degree. The idea and argument that Tianjin is free of major, serious cases of economic crime and [word indistinct] is, obviously, erroneous and not based on facts.

Facts have shown that in the struggle to crack down on unlawful activities in the economic field, it is absolutely necessary to concentrate our attention in a given period of time to ferreting out and dealing with major, serious cases of economic crime. The article points out: Capitulating to the corrosive influence of the bourgeois ideology and life-style and the sugar-coated bullets of the bourgeoisie, some weak-minded people, blinded by greed, handed over the state's economic interests and hard-earned fortune to foreign and Hong Kong businessmen on a silver platter, letting them make a windfall while they themselves share some leftovers. The state's interests are totally disregarded by them. Such a deed constitutes national betrayal, a crime that cannot be forgiven. These people, to say nothing of their party character, are devoid of any patriotic sentiments as Chinese. Is this tolerable?

The article states: In the new historical period in which nationwide efforts are being made to promote socialist modernization and under the new circumstance in which the economic policy of opening our doors to foreign countries and stimulating the economy internally is being implemented, unlawful economic activities are being carried out by cadres at lower levels in collusion with their superiors, by people inside the country with those outside, and by cadres in the interior with businessmen in Hong Kong, as well as other foreign capitalists. These unlawful activities, which undermine our socialist foundation and corrupt our social values and the party's style of work and discipline, constitute a manifestation of class struggle under the new situation. These people flaunt the banner of abiding by law while engaging in unlawful activities. (Yu Zhaohong), (Zhang Xiaochu), (Huang Pu) and others did exactly this. Now it is clear that we must pay attention to two tasks if we are to promote socialist economic construction: resolutely implementing the policy of opening our doors to foreign countries and stimulating the economy on the one hand and cracking down on economic crimes with determination on the other. If we do not pay simultaneous attention to these two tasks and if we do not deal telling blows at crimes in the economic field, our socialist construction will go nowhere.

The article says: What has been revealed about this case of economic crime involving the group in charge of importing goods is but the tip of the iceberg. Many questions are unanswered, pending further investigation. But from what has been exposed, there are many points that arouse our suspicion and give us much food for thought. Why was it possible that some people could set up such a group without authorization and import goods? Why did a municipal leading organ in charge of import and export [word indistinct] its own business? Why was it possible for these ordinary cadres [words indistinct] to have 6 million yuan in foreign exchange at their disposal? Who authorized them to use foreign exchange? How were large amounts of consumer goods imported without authorization and in total disregard of the state regulations against the importing of consumer goods? Why was foreign trade conducted through the personal connections of some people instead of official channels, providing them an opportunity to engage in irregularities? Why did the relevant leading departments stay put long after the case was exposed? How many unlawful activities were committed by the group in charge of importing goods since it began doing business and how much of the national interest has it sold out? How large were the illegal gains which those involved in the case obtained? In short, why did some cadres and some leading organs of our socialist country thoroughly ignore and forget the party's and state's policies and principles? All these questions should be thoroughly investigated.

In conclusion, the article points out: There is great resistance in investigating major, serious cases like this one. Many difficulties stand in the way. This is because almost all major, serious cases are generally rather complicated and involve a lot of people.

More often than not, a number of responsible persons are involved. It is precisely this that makes this struggle a more serious, complicated and formidable task. Cracking down on unlawful activities in the economic field is a solemn class struggle, a matter of life and death for the party and state. This is also a rigorous test for every party and CYL member and the vast number of cadres. Before this test, everyone with determination to struggle for the achievements of the four modernizations should uphold principles, [word indistinct], sober himself at an early date and unyieldingly struggle against those criminals who seriously disrupt the economy. Party committees at all levels must attach great importance to this matter and concentrate their attention on vigorously investigating and dealing with major, serious cases.

TIANJIN PARTY LEADERS MEET WITH YUGOSLAV GUESTS

OW050109 Beijing XINHUA Domestic Service in Chinese 0230 GMT 3 Aug 82

[Excerpts] Tianjin, 3 Aug (XINHUA) -- In a fierce game played at the Mongyuan Stadium on the evening of 2 August, Yugoslavia's (Sa-la-re-ou) Railway Workers Club soccer team defeated Tianjin soccer team by a score of 4-2.

Before the start of the game, Zhang Zaiwang, permanent secretary of the Tianjin Municipal CPC Committee; Li Ruihuan, secretary of the Tianjin Municipal CPC Committee and acting mayor of Tianjin; and others met with (Ka-la-mei-ni-qi Shu-bu-ni-ya), president of the (Sa-la-re-ou) Railway Workers Club, and others and had cordial and friendly conversations with them. The Yugoslav soccer team arrived in Tianjin from Beijing on 1 August.

BRIEFS

NEI MONGGOL TRADE FAIRS -- In the first half of 1982, the total business volume in rural and urban trade fairs in Nei Monggol region reached 73 million yuan, an increase of 45.8 percent over the corresponding 1981 period, accounting for 3.2 percent of the region's total retail sales of commodities. [Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 9 Aug 82 SK]

NEI MONGGOL FINANCIAL REVENUE -- Thanks to consolidation of enterprises, the introduction of economic responsibility systems and the improvement in economic benefits, Ulanqab League, Nei Monggol region, achieved a financial revenue of 197 million yuan in the first half of 1982, a marked increase over the corresponding 1981 period. [Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 9 Aug 82 SK]

HEILONGJIANG VIEWS ECONOMIC PLAN IMPLEMENTATION

SK300358 Harbin Heilongjiang Provincial Service in Mandarin 1100 GMT 29 Jul 82

[Text] On behalf of the provincial government, (Liu Zhenling), deputy director of the provincial planning commission, delivered a report on the implementation of the economic plan for the first half of 1982 and offered some suggestions for the economic work to be done in the second half of the year at this morning's provincial people's congress standing committee meeting. He said: The province's situation in implementing the economic plan for the first half of the year is good. (Liu Zhenling) said: Since the beginning of this year, in doing economic work, our province has further implemented the guidelines of the party's third plenary session and the 10-point principle on economic construction set forth by the State Council, adhered to the principle of relying mainly on the planned economy and supplementing it with regulation through the market, continued to carry out the policy of opening to the outside world and enlivening the domestic economy, readjusted the economic structure with emphasis on improving economic results and enterprise consolidation and succeeded in promoting and expediting economic and other social undertakings. This year, the total sowing area in the province as a whole has basically approached 130 million mu. During the first 3 months of 1982, our province afforested 4 million mu -- nearly 700 million trees. Every able-bodied citizen has planted 6 trees on average. The quality of afforestation is generally better than that of the previous year. Animal husbandry has vigorously developed. In the first half of this year, the total industrial output value reached 13.25 billion yuan, 51.2 percent of the annual plan and an increase of 7.4 percent over the corresponding 1981 period.

Light industrial production has substantially increased and new achievements have been made on creating quality and brand-name products and producing readily marketable products. Heavy industry began to pick up noticeably in the first half of this year, with an increase of 5.9 percent over the corresponding 1981 period. The volume of investment in capital construction had reached nearly 900 million yuan by the end of June, showing an increase of 54.1 percent over the same period in 1981. Economic benefits in the first half of this year increased noticeably. The market was brisk during the January-June period. The retail sales of commodities was 5.45 billion yuan, an increase of 11.7 percent, of which consumer goods increased 12.6 percent.

Judging from the province's situation in implementing the economic plan in the first half of the year, our province has scored new achievements in developing agriculture by relying on policies and science, in giving planned guidance and in overcoming disasters. New breakthroughs in expanding the tractor-sown area, improving irrigation facilities, applying effective fertilizer and pesticide to farmcrops and carrying out mechanized farming have been made in some localities. Leaders at all levels, in addition to overcoming last year's serious floods and waterlogging, have organized the masses to combat drought and eliminate insect pests this year and have won a victory in this regard.

In his report, in referring to his suggestions for the work to be done in the second half of the year, Comrade (Liu Zhenling) said: To ensure the fulfillment and over-fulfillment of the annual state plan, we must further improve economic benefits in industrial production and reap a better agricultural harvest by overcoming serious disasters. Despite our arduous tasks, we must attach primary importance to agricultural production and strive to combat disasters to win a bumper harvest. Efforts must be made to grasp weeding, plowing and soil banking work, do a good job in fertilizer application work to promote the growth of farmcrops, make good preparations for combating disasters and pay attention to combating drought and eliminating waterlogging.

We must continue to bring into play the superiority of our province's natural resources, actively produce readily marketable, quality and inexpensive products such as light and textile products, foodstuffs, Western medicines and medicinal herbs, do a good job in producing and economizing on energy and achieve a steady increase in industrial products such as raw materials and building materials in accordance with market needs. Machinery and war industrial enterprises have further changed the service orientation. We must further clear the commodity circulation channel, deliver more industrial goods to rural areas, procure more farm and sideline products during the busy season and enliven the urban and rural markets. We must improve the economic benefits in production, construction and circulation, strive to fulfill this year's financial revenue task and implement in an all-round manner all tasks set forth by the provincial CPC committee on overall consolidation and comprehensive tackling of all problems.

HEILONGJIANG CONVENES ADVISORY WORK FORUM

SK090426 Harbin Heilongjiang Provincial Service in Mandarin 1100 GMT 8 Aug 82

[Text] The recently concluded provincial advisory work forum called for efforts to further enhance understanding in advisory work, strengthen leadership and arouse and bring the initiative of advisors into play. After summing up our province's fundamental situation in advisory work since the third plenary session, the forum pointed out: To do a good job in the advisory work, we must first enhance the understanding of the leading bodies at all levels and boost their work enthusiasm. The forum pointed out: Like the cadre retirement and temporary leave systems, the setting up of advisers is an important measure for solving the existing problems of the life tenure system of leading cadres and ensuring the normal progress of the political activities of the party and the country. Because of the function of natural laws, some cadres are advanced in age. Letting these cadres step down in a timely manner to the second line to serve as advisers will not only enable a large number of middle-aged and young cadres to assume leading posts to expedite the work of building revolutionized, young, knowledgeable and specialized leading bodies, but also enable these veteran cadres to relieve themselves from arduous routine work to concentrate their energies on considering important matters and doing a good job in passing on experience, giving help and training new hands.

In referring to how to become good advisers, the forum pointed out: Advisers must correctly treat that arrangements set by the organizations, and be willing to serve as forerunners of middle-aged and young cadres in their advance. They must earnestly study the principles and policies of the party, go deep among the masses to conduct investigations and studies, mete out work methods suited to the ability of advisories and carry out advisory work actively and on their own initiative. Advisers must set strict demands on themselves, serve as examples and consciously subject themselves to leadership.

The forum stressed: Doing a good job in advisory work hinges on strengthening leadership. We must replenish and readjust the composition of advisers in accordance with their abilities, improve the quality of advisory work, define the responsibilities of advisers, appropriately assign tasks to them, care for their life and work, create conditions for them and bring their role into full play.

LIAONING OFFICIALS AT HARBIN MUSIC FESTIVAL

SK250916 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 24 Jul 82

[Excerpts] The 10th Harbin summer music festival opened on the evening of 24 July. Performing in the festival were music workers of the provincial and Harbin municipal professional literary and art groups, many spare-time music workers and musicians in [words indistinct].

The provincial and Harbin municipal leading comrades formed a performing group. Wang Zhao, secretary of the provincial CPC committee and second secretary of the Harbin Municipal CPC Committee, and Wang Pinian, vice chairman of the provincial people's congress, also participated in singing. The opening ceremony of the festival was held at the theater of the provincial exhibition hall. During the festival, the provincial and the Harbin municipal leading comrades, including Li Lian, Chen Lei, Li Jianbai, Wang Zhao and Wang Huacheng, received the performers. After the performance, the provincial and Harbin municipal leading comrades went up to the stage and congratulated the artists on their successful performances.

QIANG XIAOCHU AT JILIN IDEOLOGICAL CONFERENCE

SK060400 Changchun Jilin Provincial Service in Mandarin 1100 GMT 5 Aug 82

[Excerpts] According to our reporter (Fu Junfeng), after a 7-day session, the provincial conference sponsored by the Jilin Provincial CPC Committee on rural ideological and political work concluded today. Comrade (Liu Jingzhi), secretary of the provincial CPC committee, made a summation at the conference, which was held while rural areas throughout the province have scored marked achievements in enacting production responsibility systems and properly readjusting their socialist production relations.

Attending the conference were first secretaries of party committees from various prefectures, municipalities and autonomous prefectures; the party committee secretaries in charge of ideological work; chairmen of agricultural commissions and directors of propaganda and organizational departments; responsible personnel of political and judicial offices; the party committee secretaries and deputy secretaries in charge of ideological work at the county level; and responsible comrades of the provincial level departments concerned.

During the conference, Comrade Qiang Xiaochu, first secretary of the provincial CPL committee, presented a written speech entitled "Orient the Party's Ideological and Political Work to the Campaign of Building Material and Spiritual Civilizations." Comrade Yu Lin, secretary of the provincial CPC committee, delivered a report on behalf of the provincial CPC committee. Representatives from the 12 units including Shuangliao, Lishu and Dunhua Counties, as well as Changbai Korean Autonomous County, introduced their experience gained in this regard.

At the conference, participants discussed the new situation and problems in enacting various production responsibility systems in rural areas, summed up and exchanged their experience in conducting ideological and political work and defined tasks, targets and methods for strengthening and improving rural ideological and political work under the new situation.

In line with the actual situation in the province and through earnest discussions, participating comrades unanimously contended that, since the smashing of the gang of four and particularly since the 3d Plenary Session of the 11th CPC Central Committee, our province has done a great deal of work in bringing order out of chaos and implementing the party's line, principles and policies set forth by the third plenary session, resulting in an improving situation in rural politics and economy. In confronting serious natural disasters this year which have not been seen for decades, the rural ideological and political work and production responsibility systems in our province have played a tremendous role in struggling against them. However, it must be noted that the leftist things in the field of politics, ideology and economy have not been totally eliminated in the course of conducting practical work. Vestiges of the bourgeois ideology and feudalism are still rampant. Traditional viewpoints, habitual influence and economic crimes are adversely affecting, in varying degrees, the smooth progress of implementing the party's line, principles and policies, readjusting production relations and improving managerial systems. As to the nature of production responsibility systems, some comrades have not gained a proper understanding of problems which are adversely affecting their sustained efforts to stabilize, perfect and upgrade production responsibility systems.

We still cannot say that all party members and cadres clearly understand the relationship between politics and the economy, between ideological and political work and economic work and between an effort to do economic work by adopting economic measures and devotion to conducting ideological and political work and the class struggle, which still exists to a certain degree. This requires us not to weaken the ideological and political work under the new situation, but to enhance it in a big way.

The conference stressed: It is imperative to regard the view of upholding the four basic principles as a central educational subject in conducting ideological and political work and infuse this view in all tasks for various fields. At present, a central task for rural areas throughout the province is to stabilize and enrich production responsibility systems to bring into full play the work enthusiasm of the peasants.

The conference urged party committees at all levels throughout the province to orient the ideological and political work to the campaign of building material and spiritual civilizations in rural areas and to lead the people to foster thinking in conformity with Marxism, Leninism and the party's line principles and policies. Continuous efforts should be made to perfect production responsibility systems and advance the excellent situation in rural areas throughout the province.

JILIN PREFECTURE DISCUSSES INDUSTRIAL DEVELOPMENT

SK030543 Changchun Jilin Provincial Service in Mandarin 1100 GMT 2 Aug 82

[Text] Leading cadres of the Yanbian Korean Autonomous Prefecture have conscientiously studied the Marxist economic theories to correct the orientation of economic work. Since the beginning of this year, leading cadres of the prefecture have studied some books on economic theories such as "The Selected Articles of Comrade Chen Yun" and "The Study of the Economic Problems of Chinese Socialism." The prefectural party committee recently held a meeting of principal prefectural, city and county leaders to conduct a monographic study based on the guidance of the Marxist economic theories on the prefecture's industrial development. The participants realistically analyzed the prefecture's industrial production, discussed and studied the guiding principles for future development, set forth measures and solved some theoretical problems in industrial development.

They held: The prefecture is endowed with abundant forest, animal husbandry, local and native product, fruit, tobacco, hemp, energy and mineral resources. These, however, are not fully utilized. Therefore, the potential is great. These rich natural resources offer favorable conditions for industrial development. In the future, local resources should be fully used and suitable measures taken to develop production. Emphasis should be placed on multipurpose timber utilization and on the development of building materials, energy, light and textile industries, food industry and products for minorities. In the meantime, efforts should be made to intensify cultivation of intellectual resources to reform the educational structure and solve the problems of scientists and technicians in study, research and livelihood to arouse their enthusiasm; and to learn from coastal areas and sign economic and technical contracts with Qingdao, Yantai and other areas, so as to learn from others' strong points to offset our weaknesses and promote the prefecture's industry as quickly as possible.

GANSU CIRCULAR ON COLLECTIVE ECONOMIC DEVELOPMENT

SK050644 Lanzhou Gansu Provincial Service in Mandarin 1125 GMT 4 Aug 82

[Text] The Gansu Provincial CCP Committee and People's Government recently issued a circular urging all localities to strengthen leadership in order to conscientiously study and solve existing problems and to further develop the collective economy and arrange jobs for the jobless youths.

The circular notes: The collective-owned economy in urban areas throughout the province made great progress in the past 3 years. In 1981 the number of the staff and workers in the collective enterprises in urban areas of the province reached 187,000. Through the development of the collective economy, over 60,000 youths were offered jobs; among them, over 20,000 have formally gone through employment procedures. But there are still many problems in the development of the collective economy and the employment of jobless youths. For instance, there are not enough avenues open for production and the economic results of some new collective enterprises are not good enough. At the same time, some problems exist in ideological awareness, leading bodies and some specific policies, and they need to be solved through conscientious study.

The circular urges: We should further solve the ideological problems in developing the collective economy and in securing jobs for the jobless youths. Party and government departments at all levels and leading comrades of all walks of life should enthusiastically support youths awaiting jobs to run some collective enterprises and make concerted efforts to support and help them solve the difficulties in their work.

The circular states: In developing the collective economy, we should pay attention to opening the avenues for production in order to create more material wealth for the society. At present, in the development of commerce, catering and service trades, we should proceed from the needs of the people's livelihood. We should emphasize the proper distribution of shops and service centers. Service and business items should be fixed on the basis of reality and possibility. At the same time, we should vigorously develop industry, the handcraft industry, industrial sideline production, planting, livestock and fish breeding and agricultural industrial-commercial joint enterprises and open new avenues for production.

The circular states: The work on the development of the collective economy and the employment of jobless youths concerns all walks of life. It is an important matter concerning policies, and its tasks are arduous. The work requires not only cooperation in all fields, but strong and powerful leading bodies and thoroughgoing and painstaking efforts. The provincial government has set up an office in charge of the collective economy of educated youths to work in coordination with the provincial labour bureau. All prefectures, municipalities and autonomous prefectures and the counties and districts where the tasks are comparatively heavy should set up corresponding organizations to exercise unified leadership over local development of collective enterprises and economy.

QINGHAI NOTES INVESTIGATING MAJOR CRIMINAL CASES

SK031040 Xining Qinghai Provincial Service in Mandarin 2330 GMT 2 Aug 82

[Report on QINGHAI RIBAO 3 August commentator's article: "Concentrate Efforts on Investigating and Handling Major Serious Cases"]

[Text] The article states: To carry through to the end the struggle against serious criminal activities in the economic sphere, we must concentrate our efforts on rapidly investigating and handling major and serious cases. There are still some comrades who have a poor understanding of the fact that dealing blows at serious economic crimes is a fundamental guarantee for carrying out socialist modernization.

Some people are soft-hearted, underestimating the class struggle in the economic sphere. They maintain that since Qinghai Province is poor and sparsely populated, far away from the sea and with poor transport facilities, even though there are economic crimes, they are only minor embezzlement cases. They shake their heads whenever people mention grasping major and serious cases. Some dare not investigate cases involving leaders, though they have discovered some clues, fearing that they might offend others. They take a passive and perfunctory attitude, treating major and serious cases as minor and unimportant ones. Some have failed to adopt a serious attitude to investigating and handling major and serious cases in accordance with law and in a timely manner though they have verified the cases. Some have persisted in clarifying the cases, but dare not handle them.

Objectively, such an attitude had inflated the arrogance of criminals. Such an attitude is the main obstacle hindering the investigation and handling of major and serious cases. Leading comrades of all departments and units must conscientiously examine their own units to see if they have adopted such an attitude. Once discovered, they must enhance their understanding by studying documents, conduct criticism and self-criticism and overcome such an attitude as quickly as possible.

The commentator's article of the QINGHAI RIBAO also states: The spadework for grasping well the investigation and handling of major and serious cases is to do a good job in investigations and studies. We must exert our utmost efforts to grasp well the spadework. In addition, we must pay special attention to meting out punishment for criminals.

SHAANXI RIBAO DISCUSSES RURAL PRODUCTION SYSTEM

HK051342 Xian SHAANXI RIBAO in Chinese 24 Jul 82 p 2

["Weekly Commentary" by Gao Jianji [7559 1696 1015] "Seek Truth From Facts; Don't Do Everything in a Uniform Way Regardless of the Circumstances"]

[Text] Regarding the implementation of the production responsibility system in the rural areas, the central and local authorities have stressed time and again that it should be done according to local natural conditions, the economic base and managerial level and in line with the local conditions and specific conditions of each production team. The forms of the responsibility system to be accepted can be decided by commune members through discussion. However, the error of "imposing uniformity regardless of the circumstances" are still repeatedly being made by rural cadres in some counties and communes. Commenting on this issue, some cadres and commune members said with intense sorrow that the error of "imposing uniformity" had damaged the party's prestige among the masses, impaired the close relationships between cadres and the masses and hindered the production responsibility system from developing smoothly.

Why is it difficult to correct the work method of "imposing uniformity regardless of the circumstances?" Why are there still some cadres who are fond of this work method? It is only because such comrades do not really know the harm done by this method. They mistakenly believe in the "advantages" of the method, alleging that "there is efficiency but no disorder and tedious formalities, and this can save time for making more contributions." There is another saying that "imposing uniformity" is a convenient method in doing everything. For instance, in directing work, problems can be solved in a similar form and through one policy, one document and one meeting. All such allegations cannot stand close scrutiny. The reason is that "imposing uniformity" runs directly counter to the party's ideological line of seeking truth from facts. There is immense variety involved in the development of objective things. In order to understand and change it, people should make a concrete analysis of concrete problems and use different methods to cope with different conditions so that they can attain desirable results.

There are big differences in natural conditions, the economic base and managerial level for various communes and brigades in the rural areas. In carrying out the production responsibility system, we must give directions in line with local conditions. We should not, with our own subjective views, simply enforce it in a uniform way regardless of the circumstances. If we insist on doing things in this way, we will lose contact with reality and cut ourselves off from the masses. Production will be affected and things will go contrary to our wishes. As a matter of fact, in all places where uniformity is imposed regardless of the actual situation, good things are usually turned into bad ones. Advanced and rich production teams will become backward and poor, and poor production teams can hardly extricate themselves from poverty as quickly as possible. This is so in the countryside and there is no exception for other departments and trades. In any place where uniformity is imposed, no work can be done with good results. The arguments that "there is efficiency but no disorder," and that "it is convenient to do everything in a uniform way" are all groundless. Now that the method of "imposing uniformity" is not theoretically and practically applicable, we should consciously give it up. Then we go into the thick of the masses and consult with them to work out a production responsibility system which is applicable to the actual situation of every production team so as to play our part in pressing agricultural production forward as soon as possible.

XINJIANG PEOPLE'S CONGRESS COMMITTEE MEETS

Output Report Presented

HK270408 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 26 Jul 82

[Summary] The 16th session of the fifth regional people's congress standing committee opened in Urumqi on the afternoon of 26 July. The meeting was presided over by Chairman Tomur Dawamat. It heard and discussed the report on regional industrial and communications production by Huang Yucheng, director of the regional economic commission.

In his report, Huang Yucheng said: From 1979 on, the region welcomed a good situation on the industrial and communications production front. Particularly in the first half of 1982, marked successes were achieved in production due to the concentrated efforts of promoting economic returns. However, many things should be done, said Huang Yucheng, if we want to fulfill or overfulfill this year's production targets. But the most important task is to promote better economic returns. This principle must be actively applied and must not be changed. Then we should pay attention to the following five key points:

"1) We must shift from emphasizing output value and output of production to improving variety, quality of products, energy consumption and cost of production. 2) We must shift from emphasizing an increase in production and revenues to paying attention to economizing expenditures and increasing revenues with continued efforts for increasing production and revenues. 3) We must pay attention to expanded production of some key products, instead of generalized expanded production. 4) We must attach importance to scientific and technological work, instead of ignoring their role. 5) We must simultaneously pay attention to production and business, instead of grasping only production."

Huang Yucheng continued: From now on we must insist on the unity of rate and results in industrial and communications production. We must achieve a steady, sound and practical rate of production development on the basis of better quality of products, rich varieties, and lower consumption of materials and energy, as well as turning out more marketable goods.

Conclusion of Session

HK290638 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 28 Jul 82

[Summary] The 16th Session of the 5th Xinjiang Regional People's Congress Standing Committee concluded on 28 July. The participants examined and discussed reports on the study of the draft of the revised constitution and on the struggle against serious economic crime in the region. They hoped that the region would continue to attach great importance to discussing the draft constitution. They also called for continued efforts to investigate and handle major and important cases of economic crime. Standing Committee Chairman Tomur Dawamat presided at the meeting.

XINJIANG GOVERNMENT, PLA ISSUE AWARDS CIRCULAR

HK110330 Urumqi Xinjian Regional Service in Mandarin 1300 GMT 10 Aug 82

[Summary] "The regional people's government and the Urumqi PLA units recently jointly issued a circular to all the areas, all PLA units and all production and construction corps stating their decision to hold an awards rally around New Year's Day 1983 or Spring Festival, to award banners and prizes to advanced collectives and advanced individuals in doing the work of supporting the army, giving preferential treatment to the families of PLA personnel, supporting the government and cherishing the people."

The circular points out that in the past great achievements have been scored in doing this work, and a number of advanced units and individuals have emerged.

The circular calls on all areas and PLA units to carry out in diversified forms the education in supporting the army, giving preferential treatment to the families of PLA personnel, supporting the government and cherishing the people and the education in maintaining unity among various nationalities, thus further improving this work.

WANG ENMAO AT XINJIANG PARTY HISTORY MEETING

HK301007 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 29 Jul 82

[Summary] The Xinjiang regional work meeting on collecting party history raw materials was held in Urumqi from 21 to 24 July. The meeting demanded that the CPC committees at all levels fully understand the importance and urgency of collecting party history raw materials and try their very best to fulfill the task. Responsible comrades from the regional CPC committee and the Urumqi PLA units, including Wang Enmao, Zhang Shigong, (Huang Luobin), Zhao Yuzeng and (Kang Lihe), attended the meeting. Comrades Wang Enmao, Zhang Shigong and (Huang Luobin) spoke.

BRIEFS

QINGHAI OFFICIAL DIES -- Comrade Sang-re-jia-cuo, member of the National CPPCC Committee and vice chairman of the Fourth Qinghai Provincial CPPCC Committee, died of illness in Xining Municipality on 22 June. He was 86 years old. A memorial service for him was held in Xining on 24 July. Comrade Zhang Guosheng, secretary of the provincial CPC committee and governor of the Province, presided over the service, at which comrade Zhang Baian, vice chairman of the provincial CPPCC committee, delivered a memorial speech. [Xining Qinghai Provincial Service in Mandarin 2330 GMT 24 Jul 82 SK]

LIEN HO PAO DISCUSSES U.S. ARMS SALES ISSUE

OW112344 Taipei LIEN HO PAO in Chinese 8 Aug 82 p-2

[Article by LIEN HO PAO special correspondent from Washington Wang Ching-hang:
"'New Formula' in U.S. Talks With Chinese Communists on Arms Sales"]

[Text] The talks between the United States and the Chinese Communists on U.S. arms sales to Taiwan has once again entered a stage of confusion. Although there is much unofficial heresay and many speculations, in Washington, the U.S. Government officials have kept absolutely silent. Thus, speculations remain speculations. Until the official documents are made public, no one is sure whether both sides have reached a compromise or not, or in what form and with what wording they have reached a compromise. It is reported that when President Reagan received 24 Republican senators and congressmen on 30 July, he asked them "not to believe the speculations in the newspaper" and "not to worry." He said that he knew how to treat an old friend of the U.S. Reagan's promise was what he said at the press conference, that he "will not abandon Taiwan" and that he would carry out the provisions of the Taiwan Relations Act.

Some Speculations Have Been Verified by Congressmen

In spite of Reagan's call "not to believe the speculations in the newspapers," some of these speculations have already actually been verified by those congressmen who attended a special White House briefing. They are still unable to provide the details of the formula proposed by the United States in solving the issue, yet they are able to reaffirm two basic principles. One is that the quantity and quality of the U.S. arms sales to Taiwan will not exceed the present scale. The other is that the U.S. side will not set a clear-cut deadline for its arms sales to Taiwan. Another saying which has been widespread but not completely confirmed is that the U.S. side will vaguely indicate in its statement that the U.S. arms sales to Taiwan will not be carried out indefinitely. At the same time, the U.S. side will reaffirm the "one China" principle as laid down by the communique on the establishment of diplomatic relations. It is reported that this general plan has been revised on the basis of Haig's proposal.

There are two sayings on the plan proposed by Haig. Reflecting on the first saying, (Garmin), director of the Free Asia Association, said that Haig had left the White House with two choices for Reagan's selection: plan A is close to a complete acceptance of the demand of the Chinese Communists, calling for a gradual suspension of arms sales to Taiwan; plan B calls for the use of vague words to show that the arms sales to Taiwan are "not to be carried out indefinitely," so as to meet the requirements of the Chinese Communists. (Garmin) also said: Haig believed that U.S. ties with the Chinese Communists can be maintained if plan A is accepted. There is, however, a danger of downgrading the diplomatic relations if plan B is accepted.

The second saying is that Haig's proposal left three choices of plan: plan A is to accept the demand of the Chinese Communists, set a deadline and gradually suspend the arms sales to Taiwan; plan B is to set no deadline, but to indicate with vague words that the arms sales to Taiwan will be reduced; plan C is to adopt a tough attitude towards the Chinese Communists, ignore their demand, make no more concessions and continue to sell arms to Taiwan. It is reported that Haig put the following remark in his proposal: If plan A is accepted, the relations between the United States and Chinese Communists can be maintained; if the middle-of-the-road plan B is accepted, there still remains the possibility of downgrading the relations; such relations will inevitably be downgraded if plan C is accepted.

Reagan is obviously unable to accept plan A for both sentimental and legal reasons. However, taking into consideration the political and strategic factors, he cannot totally brush the Chinese Communists aside and rashly accept plan C. The only choice is to take the narrow middle-of-the-road in order to please both sides -- a road which may not be able to please both sides. Haig delayed taking action on his proposal with regard to the U.S. arms sales to Taiwan, as he had to handle the Middle East crisis first. It was not until he announced his resignation that he submitted his proposal to the White House. It is reported that after Reagan studied this proposal, he sent it back for a revision of the proposal to make a compromise between plan B and plan C so that the proposal will become more balanced by taking Taiwan into consideration.

The "Balanced" Proposal Is Not Necessarily Advantageous

The actual details of this "balanced" proposal will not be available until they are officially made public. However, as seen from the verified basic principles, this proposal is not necessarily more advantageous than the middle-of-the-road plan offered by Haig.

It is said that the "middle-of-the-road plan" offered by Haig links the arms sales to Taiwan with the progress in solving issues of the Taiwan Strait by peaceful means. That is what was meant by "expectation" in Reagan's three letters to the Chinese Communist chieftains. The U.S. side expects that when there is progress in solving the issues by peaceful means, Taiwan's need for weapons will naturally be reduced.

Such words seem to be offensive. They may even be interpreted as pressure from the United States for peace talks. However, the implementation of such words still depends mainly on the kind of stand adopted by the United States. The U.S. arms sales will not be affected if the U.S. attitude remains firm and if there is no progress in solving the problem of the Taiwan Strait by peaceful means. With such vague words, the U.S. side may sell arms to Taiwan indefinitely if its stand remains firm. The Chinese Communists cannot accept such indefinite arms sales to Taiwan. Their basic reason is that such an act serves to "interfere with their internal affairs." Their second reason is that the above-mentioned "expectation" is equivalent to permitting the United States to flexibly adjust the scale of its arms sales to Taiwan by itself.

The Meaning of "Not Indefinitely"

The official wording of the reported "favorable response" from the Chinese Communists to the plan of arms sales to Taiwan with limited quantity and quality is still unavailable. Thus, it is hard to judge how this plan can be carried out. It is obvious, however, that such a plan has its pitfalls. If the sale of arms with limited quality is not linked with the progress of science and technology and the renewal of the weaponry system of the Chinese Communists, there will definitely be a day when we are unwilling to buy weapons offered by the United States for sale because they are backward, old and obsolete and they can no longer match the new generation weapons of the Chinese Communists. If the sale of arms in limited quantity means the limit of the number of weapons, such as the number of aircraft, it does not matter much, because when the quality of weapons is limited, our need to purchase old and outmoded weapons would naturally be reduced. If the sale of arms with limited quantity means the limit of the amount of money for the purchase of arms, the amount of weapons which we are able to purchase with the same amount of money will naturally drop because of inflation and the increase of the price of weapons each year.

Naturally, on the issue of limited quantity and quality, the U.S. side may have other flexible and vague words. The implementation of such words also depends on the firmness of the U.S. attitude. But if the U.S. attitude remains firm, the formula of linking the arms sales to Taiwan with the "progress in solving problem of the Taiwan Strait by peaceful means" may be less dangerous to use than the arms sales with limited quantity and quality.

The Chinese Communists will not be satisfied with a U.S. promise to limit the quality and quantity of the weapons it sells to Taiwan. As a matter of fact, the United States has virtually exercised some restraints in the past in regard to the quality and quantity of its arms sales to Taiwan. The United States will lose the initiative, however, if it formally makes this promise. But this will give the Chinese Communists an excuse to avoid having an immediate showdown with the United States.

A. Doak Barnett, senior research fellow of the Brookings Institution, expresses his belief in his new book "U.S. Arms Sales" -- a collection of writings about his research on defense policy -- that it is still impossible to expect the United States to set a cut-off date of its arms sales to Taiwan and that, furthermore, this is a longstanding problem whose solution cannot be found in one day. He suggests, therefore, that both sides should take the actual difficulties and mutual interests into consideration and try to reach a compromise first. This truth certainly is understood by the Chinese Communists. The main reason they want the Reagan administration to set a definite date is to make a gesture; they do not really entertain such high hopes. If the United States chooses to make its stand clear now that it intends to limit the quality and quantity of its arms sales to Taiwan, although the Chinese Communists may not find this completely satisfactory, it is also not necessary for them to announce their agreement. All they have to do is sing their own tune and make their own stand known while demanding at the same time that the U.S. side agree to continue the talks on an "eventual halt" to its arms sales to Taiwan. This way they will get by without losing face and will not have to insist on downgrading the level of relations. The most promising temporary solution that can be found so far remains one of shelving the problem but leaving the door ajar for continued discussions.

Strictly speaking, the promise that U.S. arms sales to Taiwan are "not to be carried out indefinitely" is also a statement of ambiguity made for the purpose of keeping up appearances. International relations are susceptible to change at any moment and no sacred treaty or promise can be kept "indefinitely." A treaty can be rescinded; a law can also be changed. No one can predict what the situation will be 5 or 10 years from now, or, for that matter, 50 or 100 years from now. "Not to be carried out indefinitely" does not mean it will be carried out to a "definite date." In fact, what it implies is also "indefinite." But it will hinge on the change in the situation and the attitude of the U.S. side.

The So-Called "One China" Policy

The "one China" policy has become a stereotyped expression. Whether it is "one China" or "two Chinas" is not something that can be decided by a statement from the U.S. Government. Although Reagan has always evaded a direct reaffirmation of a U.S. policy for one China since he assumed office, the State Department, which speaks for the U.S. Government, has long made it known that the U.S. side accepts the bounds of the communique on the establishment of its diplomatic relations with the Chinese Communists and that it is willing to continue to develop such relations on the basis of this communique. The tension created by the Chinese Communists by exploiting the issue of arms sales has finally compelled Reagan to personally make an unequivocal promise to abide by the "communique on the establishment of diplomatic relations" and support the "one China" policy. The joint communique or individual statements that may be issued by both sides in the future will generally refer to the "one China" policy in the same language as used in the "communique on the establishment of diplomatic relations."

Has the U.S. side reached agreement with the Chinese Communists on its promise to adopt the formula of making arms sales to Taiwan limited in quality and quantity? According to the 2 August statement of Chinese communist Foreign Minister Huang Hua, there is still no agreement between the two sides, "the crisis is not over" and the bilateral talks are being continued. The Chinese Communist Foreign Ministry also said that it sticks to its stand that the United States eventually must stop its arms sales to Taiwan and that this stand has not been changed. In other words, unless the United States accepts the conditions laid down by the Chinese Communists to set a cut-off date for its arms sales to Taiwan, the two sides will not really come into agreement with each other.

If there is going to be some kind of compromise between the two sides, possibly it will be no more than a formula of each speaking its own line to "agree to disagree" and shelve the problem for the time being for later negotiations or for continued talks.

On the suggestion of the American advisers and after hearing what the U.S. administration and Congress have said, the Chinese Communists naturally understand that the problem cannot be solved at once. Hence, it is more likely that they may return to the road of "agreeing to disagree," accepting promise of the U.S. side but demanding continued talks. If such an arrangement, or tacit understanding, does exist, the Chinese Communists might as well say that there is no "agreement."

Two Matters That Will Explain the U.S. Stand

At the meeting with the Republican congressmen, Reagan assured them that the production line of F-5E fighters manufactured with cooperation between the United States and Taiwan will not be interrupted. Some of the congressmen said that Reagan had indicated that he would notify the Congress of this new arms sales proposal within two weeks. What the congressmen said is based on the calculation that the extension of the contract for cooperation in the production line must be signed before the end of September. But there is another calculation which holds that there are 2 to 3 months in between and that changes are possible. Combining these two calculations, it seems that the week beginning 9 August will be crucial: Will the United States and the Chinese Communists reach a compromise, or will the U.S. side notify Congress of the F-5E fighter sales proposal without a formal compromise? These two matters will explain more explicitly the firmness of the stand of the Reagan administration, or the extent of compromise that may be reached between the United States and the Chinese Communists.

CHIANG REITERATES REFUSAL TO TALK WITH PRC

OW111015 Taipei CNA in English 0942 GMT 11 Aug 82

[Text] Taipei, August 11 (CNA) -- President Chiang Ching-kuo said recently the Republic of China's rejection of Chinese Communist peace overtures is not a sign of fear or retreat, but a positive counterblow to Peiping's united front ploy. The president reiterated free China's policy of not communicating with Peiping except in battle while receiving leading scholars attending the 1982 national development seminar last month.

Reminding the scholars that Peiping once vowed to "bathe Taiwan in blood", the president said that the communist regime is harping of peace talks only in order to extend communist rule to Taiwan. "By rejecting Peiping peace overtures, we are rendering their plot ineffective. This is not a retreat, and least of all, a sign of fear. On the contrary, it is the Chinese Communists who are afraid of having their peace conspiracy rejected", declared the president. He noted that some people do not quite understand why the Republic of China is so adamant about refusing to enter into negotiations with Peiping.

"They think that our policy is too rigid and that we are stubborn. They are not sympathetic to our stand. This is because they do not know that our morale would start collapsing the moment the government toys with the idea of talking with the Chinese Communists. Then the communists would have achieved a united front offensive", he added. So the Republic of China will never waive in its policy of refusing to have any dealings with Peiping, no matter what others may say, the president said.

While conceding that many factors contributed to the fall of the Chinese mainland in 1949, President Chiang said one of the principal causes was the peace talks held with the communists after the late President Chiang Kai-shek stepped down. The president also told the scholars that the government will uphold the three principles of the people as the guideline for national development under all circumstances. This is a policy laid down when the republic was founded, and the three principles have been proven invincible, the president said.

TAIWAN TRIAL-PRODUCING JET ENGINE TURBINE BLADES

OW030348 Taipei CHUNG KUO SHIH PAO in Chinese 28 Jul 82 p 1

[Text] Several research institutes in the country are engaged in research on superalloy needed for making turbine blades [chi wo lun chi yeh pien 3051 4360 6544 2894 5509 3651] for jet engines. Among them, the Nuclear Energy Research Institute has entered the experimental manufacturing stage in this regard. It is pointed out that the blade made by this institute can endure temperatures as high as 940 degrees centigrade and can be used for the F-5E. This shows that our country has gradually raised the rate of making parts for high-performance fighters.

An expert attending a symposium on modern engineering and technology pointed out yesterday: Superalloy is corrosion-resistant and heat-resistant and has great strength; its greatest use is for making jet engine blades, turbine blades for nuclear energy plants and rocket engines. It is the primary and indispensable material for the development of high-temperature machines and parts. The expert said: The research on superalloy at home is now centered on manufacturing of engine blades for aircraft. On the one hand, this is because the price of engine blades is very high, accounting for about 20 to 30 percent of the total price of an engine. On the other hand, we are doing so because we want to build an independent aircraft industry.

It has been learned that a number of research institutions at home are engaged in research on superalloy. Among them, the Nuclear Energy Research Institute has completed its "laboratory for precision casting" and has set up a group for superalloy research, which is vigorously engaged in manufacturing the third generation of unidirectional solidified-nickel engine blades [tan hsiang ning ku nieh chi yin ching yeh pien 0830 0686 0413 0942 6996 1015 1714 2348 5509 3651]. The institute is now trial-producing such blades which can endure temperatures as high as 940 degrees centigrade and meet the specifications of the blades for the F-5E fighter engine.

The expert also pointed out: Those institutions engaged in research on superalloy smelting and casting, superalloy processing technology and its use also include the Chungshan Institute of Science, the Metal Industry Department of the Engineering Research Institute and the Chiehshou No 2 plant of the Aeronautical Development Center. With special grants from the fund for the defense industry, the Metal Industry Department of the Engineering Research Institute has purchased precision casting technology and equipment concerned, thus greatly increasing its capability in the research and manufacture of precision superalloy casting. The expert also pointed out: In addition to doing research on engine blades, the nuclear energy research institute is also engaged in research on technology for the plating of the engine blade in order to raise its rustproof and heat-resistant capabilities and prolong the service life of the engine.

GU MU SAYS HONG KONG'S PROSPERITY WILL CONTINUE

HK120325 Hong Kong WEN WEI PO in Chinese 12 Aug 82 pp 1, 2

[Special dispatch: "Delegation of Industrialists, Businessmen Asks About Hong Kong's Prospects; Gu Mu Says its Prosperity Will Continue"]

[Text] After a 10-day visit, "the visiting delegation of the Chinese Chamber of Commerce of Hong Kong to Beijing, Guangzhou, Shenzhen, Shekou and Chiwan" returned to Hong Kong through Shekou yesterday evening.

When interviewed by this reporter yesterday evening on his arrival in Hong Kong, Ngai Shiu-kit, head of the delegation and chairman of the Chinese Chamber of Commerce, pointed out that the Chinese leaders had told him that China's task of readjusting its economy was expected to be basically fulfilled by 1985 and that by the 1990's, China's economy would take off. China will carry out transformation and renewal in its 400,000 enterprises and at the same time focus on training personnel and treat it as an intelligence investment. Hong Kong is a financial and commercial center in Asia and it will help China achieve this through cooperating with China in various ways. Ngai Shiu-kit expressed his full confidence in Hong Kong's prospects.

When Szeto Wai, deputy head of the delegation and a board member in charge of day-to-day business of the Chinese Chamber of Commerce, was interviewed by this reporter, he said that through this visit, and especially through the delegation's interview with Gu Mu, he had been filled with confidence in Hong Kong's stability and continued prosperity.

Szeto Wai said that in Beijing, Gu Mu had granted them a 45-minute interview and had kindly and friendly talks with the members of the delegation. The members of the delegation asked Gu Mu quite a few questions of great concern to the people. Through the talks on these questions, especially the question about Hong Kong's prospects, they had become enlightened and their confidence in investing in Hong Kong had been heightened.

He mentioned that Gu Mu disclosed that Hong Kong was a part of China's territory and the Hong Kong problem would be satisfactorily solved at a proper time. Hong Kong's prosperity will continue and Hong Kong will continue to be a free port, play its due role and develop its strong points. The private property in Hong Kong will be protected. Hong Kong will continue to be a financial center in Asia and Hong Kong's economy will continue to develop....

Moreover, State Councillor Gu Mu listened to their opinions and answered one by one the questions that are of common concern to the people at present.

Szeto Wai furthermore said that the delegation's visit to Beijing, Guangzhou, Shenzhen and Shekou this time has deepened their understanding of the mainland. He realizes there are good prospects for investing in the mainland as well as in Hong Kong.

Chow Yun-sheung, a board member of the Chinese Chamber of Commerce, also expressed that what he saw and heard during the visit to the mainland has greatly increased his knowledge. He also expressed that before he visited the special economic zone in Shenzhen, he thought that the special economic zone was a place where undertakings were carried out by small groups. However, after being briefed about the special economic zone by the Shenzhen authorities and visiting it, he realizes how great an importance the state has attached to the investment in and the construction of Shenzhen. He also sees that the plan of the development and layout of Shenzhen City has been based on long-term considerations. Gu Mu's frank and sincere answers to their questions have particularly filled him with confidence in Hong Kong's future prospects.

The "visiting delegation of the Chinese Chamber of Commerce of Hong Kong to Beijing, Guangzhou, Shenzhen and Shekou" began its first visit to the mainland on 2 August. This delegation was warmly received by the relevant responsible persons in Beijing, Guangzhou and Shenzhen.

Yesterday, they visited the Jiale furniture factory and Jianian printing house in Shenzhen and the premises of a few foreign factories in the industrial area in Shekou, Shenzhen, which was the last city they visited. During their visit, they asked many questions about the details and gave many valuable opinions to the relevant departments.

Members of the delegation are as follows; head of the delegation, Ngai Shiu-kit; deputy heads, Lau Sai-yan; and Szeto Wai; members, Wong Bing-sai, Yip Hing-chung, Ng Fook-tin, Low Chin, Fung Yuen-hon, Chow Chiu-sui, Lau Tso-shing, Tang Yik-hong, Lei Wan-yuen, Chow Yun-Sheung, Mak Hong, Yeung Suen-sai, Lei Chak-pui and Lo Kit-yee (Note: Some of the members returned from Beijing to Hong Kong before the visit ended because they had business to attend to).

BANK OF CHINA MAY INVEST MORE IN HONG KONG

HK120351 Hong Kong WEN WEI PO in Chinese 12 Aug 82 p 4

[Report: "Bank of China Director Bu Ming Declares, if it Benefits Hong Kong's Economic Prosperity, the Bank of China May Make More Big Investments"]

[Text] When interviewed by Hong Kong's press circles during his visit to the Hong Kong gold and silver exchange and gold and silver stock market yesterday morning, Bu Ming, director of the Bank of China, said that if it benefits Hong Kong's economic prosperity, the Bank of China is likely to make more investments in the future, which are as big as the investment this time for the building of its headquarters' office building. But he stressed that this will be decided in the light of the conditions in various aspects.

Bu Ming told the correspondents that what the Bank of China has done this time is beneficial to the economic prosperity and stability in Hong Kong. He revealed that the total investment this time for the purchase of land and the construction of the headquarters' office building is about HK\$2.3 billion, of which HK\$1 billion is for the purchase of land and the other HK\$1.3 billion, for the expenditure on design, the construction of the building and payment of interest. He stressed that the HK\$1 billion can only be regarded as "charges for the use of the land," which is different from the prices of land to be leased or resold for gaining profits. He added, this land is outside the main commercial district in Hong Kong.

Bu Ming also revealed that during its talks with the Hong Kong Government over this purchase of land, the Bank of China expressed its hopes that in terms of payment, it would be allowed as long a time limit as possible. But after continuous negotiations, the Hong Kong Government suggested setting a limit of 13 years, and the Bank of China accepted this offer. Referring to the annual interest of 6 percent, Bu Ming said that to China, this is not a low interest. In comparison with China's conventional investments, this is a fairly heavy burden.

As to the use of the new building, Bu Ming said that this will be decided after being approved by the general office in Beijing. However, concrete problems in the use of the building will be solved independently by the Bank of China and the other 12 sister banks in Hong Kong. If there is still any space left over, it can be used by similar setups.

END OF

FICHE

DATE FILMED

Aug 13, 82

